

# City of Huntington Beach 1989 Housing Element Update

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## **DEPARTMENT OF COMMUNITY DEVELOPMENT**

### **PARTICIPATING STAFF**

MIKE ADAMS, Director, Community Development Department  
HOWARD ZELEFSKY, Planning Director  
SCOTT HESS, Senior Planner  
HAL SIMMONS, Senior Planner  
RUTH LAMBERT, Assistant Planner  
JULIE OSUGI, Planning Aide  
JANE MADERA, Planning Intern  
JULIE PATTERSON, Planning Intern

### **SPECIAL ASSISTANCE**

DAN BRUENING, Housing Rehabilitation Administrator  
STEPHEN KOHLER, Principal Redevelopment Specialist  
GREG BROWN, Redevelopment Analyst  
ERIC NICHOL, Redevelopment Analyst

CITY OF HUNTINGTON BEACH  
1989 HOUSING ELEMENT UPDATE

Adopted July 1990  
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CITY OF HUNTINGTON BEACH  
HOUSING ELEMENT UPDATE

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## 1.0 INTRODUCTION

The Housing Element is intended to direct residential development and preservation in a way that coincides with the overall economic and social values of the community. The residential character of a city is largely dependent on the type and quality of its dwelling units, their location, and such factors as maintenance and neighborhood amenities. The Housing Element is an official municipal response to a growing awareness of the need to provide housing for all economic segments of the community, as well as legal requirements that housing policy be made a part of the planning process. As such, the Element establishes policies that will guide City officials in daily decision making and sets forth an action program designed to enable the City to realize its housing goals.

### 1.1 State Policy and Authorization

The California State Legislature has identified the attainment of a decent home and a suitable living environment for every Californian as the State's major housing goal. Recognizing that local planning programs play a significant role in the pursuit of this goal, and to assure that local planning effectively implements statewide housing policy, the Legislature has mandated that all cities and counties prepare a housing element as part of their comprehensive General Plans. Section 65302(c) of the Government Code sets forth the specific components to be contained in a community's housing element. Appendix A summarizes these State requirements and identifies the applicable sections in the Huntington Beach Housing Element and Technical Data Report where these requirements are addressed.

Article 10.6 was added to the Government Code in 1980 and incorporates into law the Housing Element Guidelines promulgated by the California Department of Housing and Community Development (HCD). The original Housing Element Guidelines were adopted on June 17, 1971, and revised guidelines were adopted on November 17, 1977.

The Government Code specifies the intent of the Legislature to insure that counties and cities actively participate in attaining the state housing goal, and sets forth specific components to be contained in a housing element. These include the identification and analysis of existing and projected housing needs, resources and constraints; a statement of goals, policies, quantified objectives, and scheduled programs for the preservation, improvement and development of housing; identification of adequate sites for housing; and adequate provision for the existing and projected needs of all economic segments of the community.

State law requires Housing Elements to be updated at least every five years. The City has prepared the following updated Housing Element in compliance with the July 1, 1989 deadline for jurisdictions within the SCAG region.



## 1.2 Organization of the Housing Element

The Housing Element Guidelines require elements to include two basic components:

1. An evaluation of the housing problem and an analysis of housing needs, indicating the capacity of the existing housing supply to provide all economic segments of the community with decent housing.
2. A housing program, consisting of two parts:
  - a. A comprehensive problem solving strategy establishing local housing goals, policies, and priorities aimed at alleviating unmet need and remedying the housing problem; and
  - b. A course of action which includes a specific description of the actions the locality is undertaking and intends to undertake to effectuate these goals, policies, and priorities.

The Huntington Beach Housing Element update delineates the City's housing needs and sets forth a program of action in accordance with State law. This first section of the Element defines the intent of the Housing Element, describes its relationship to State directives and other general plan elements, and includes a description of the public participation and intergovernmental coordination utilized in its preparation. Section 2.0 of the Housing Element provides an overview of the present and projected housing needs of the City's households as defined by the Housing Element Technical Data Report, which serves as an appendix to the Element. This section also provides an analysis of potential constraints to meeting the City's identified housing needs, and an evaluation of opportunities that will further the development of new housing. Finally, the Housing Plan presented in Section 3.0 sets forth the City's quantified housing goals, policies and programs to address Huntington Beach's identified housing needs.

## 1.3 Relationship of the Housing Element to Other General Plan Elements

The California Government Code requires that General Plans contain an integrated, internally consistent set of policies. When any one element of the general plan is revised, and especially when new policies and priorities are proposed, the other elements must be reviewed to ensure that internal consistency is maintained. This section examines the relationship of the Housing Element and its policies to the other elements of Huntington Beach's General Plan.

### Land Use

The Housing Element is most affected by development policies contained in the Land Use Element, which establishes the location, type, intensity, and distribution of land uses throughout the city. In designating the total



acreage and density of residential development, the Land Use Element places an upper limit on the number and types of housing units constructed in the city. The acreage designated for industrial, commercial, and office professional uses creates employment opportunities; the presence of these jobs affects the demand for housing in the city.

Ongoing modeling of the fiscal impacts associated with various land use types and proposed developments may warrant a reconsideration of the distribution of land uses throughout the city, especially in light of the Jarvis and Gann tax initiatives. Early indications reveal that there may be significant policy conflicts between providing a sufficient number and range of housing types and maintaining a balanced local economy and an adequate level of municipal services. The adopted policies and priorities of both the Housing and Land Use Elements must be carefully balanced to maintain internal consistency in the General Plan.

### **Open Space and Conservation**

Policies contained in the Open Space and Conservation Element call for the preservation and protection of the city's natural environment through the conservation of significant open space areas, acquisition of land for recreation and parks, and restricted development in hazardous areas and areas utilized for the production of natural resources. These policies affect both the amount of land available for housing by designating permanent open space areas and the cost of housing by requiring land dedication and/or development fees for the acquisition and maintenance of public open space areas.

### **Circulation**

The Circulation Element calls for the development of a system of arterial highways that safely and efficiently accommodates traffic generated by adopted land uses. At the same time, the element seeks to minimize the adverse environmental and aesthetic effects of the road network and traffic on sensitive land uses such as residential areas. By providing for a convenient public transportation system and a network of bicycle, pedestrian, and equestrian trails, the Circulation Element attempts to create a satisfying living environment for residents of Huntington Beach. While the cost of producing new housing is affected by the City's street design standards and arterial dedications requirements, these standards are not excessive and do not unduly constrain affordable housing.

### **Noise**

The Noise Element contains policies aimed at reducing the impacts of urban noise on residents, workers, and students in the city. Sources of noise include freeway and arterial traffic, construction and oil-related machinery, and aircraft. Residential development in areas with high noise impacts is discouraged unless adequate noise attenuation features are included. Special construction methods or increased landscaping to reduce noise impacts create a more satisfying living environment but also add to the cost of housing.



## **Seismic Safety**

The Seismic Safety Element identifies geologic and flood hazards in the city. Although development within identified hazard areas is not prohibited altogether, special construction techniques are required to ensure that structures will remain safe in the event of a disaster. Unstable soil conditions in certain areas of the city require additional grading, fill, and compaction before development is allowed. In addition to the extensive fault system that underlies Huntington Beach, the majority of the city is located within the floodplain of the Santa Ana River. The National Flood Insurance Act of 1968 requires affected localities to adopt a program of floodplain management to prevent loss of life and property in the event of a major flood. Provisions of this program range from prohibiting development in severe hazard areas and requiring modification of structures or special construction practices to securing bonds for the construction, improvement, and maintenance of flood control and drainage facilities. All of these actions add to the cost of housing in the city; however, they are required if the City is to provide an acceptable level of public safety.

## **Scenic Highways**

The Scenic Highways Element establishes local scenic routes and landscape corridors along several arterial highways in the city. The intent of these designations is to establish and maintain aesthetic visual resources along major transportation routes, implemented through landscaping programs, grading, development, and signing controls, utility undergrounding, and architectural review. While the scenic highways program enhances the living environment, the costs to the City and private developers to implement the program are eventually reflected in increased housing costs.

## **Community Facilities**

The Community Facilities Element provides direction for the provision of community facilities needed to serve existing and proposed development in the City in a coordinated and cost efficient manner. The element contains pertinent data regarding the status of the City's major capital facilities. Community facilities, particularly those related to health and safety, are a prerequisite to any new development. The availability and condition of existing community facilities may impact the provision of housing, especially affordable housing, since necessary infrastructure improvements will increase housing costs. By directing the location and timing of new capital facilities, the City can affect the availability of sites for new housing. By investing public money in existing neighborhoods, the City may help stabilize and revitalize them, thus preserving and upgrading the available housing stock.



## Coastal

The Coastal Element contains the land use designations and policies adopted by the City to implement the California Coastal Act of 1976. The Coastal Element, which is the Land Use Plan portion of the City's Local Coastal program, has been certified in geographic part by the California Coastal Commission. Although the provision of affordable housing is no longer required under the Coastal Act, the Land Use Plan itself may affect the cost and desirability of housing within the entire City. Low and moderate income housing within the coastal zone is currently addressed by Section 65590 of the Government Code. The Technical Data Report to the Housing Element discusses the housing stock within the Huntington Beach Coastal Zone and recent housing developments under Section 65590.

### 1.4 Public Participation

Section 65583(c)(5) of the Government Code states that "The local government shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort."

Upon completion of a Draft Housing Element, the City advertised its availability for public review. The Draft Housing Element and Technical Data Report were made available to the public at City Hall free of charge. The City also circulated draft elements to housing interest groups for comment.

The City Council appointed a Housing Committee in October 1988 for the purpose of working with city staff to develop an overall program strategy for expenditure of the City's 20% housing set-aside fund, as well as reviewing other housing issues. The Housing Committee consisted of three City Council/Redevelopment Agency members, and four City residents appointed by the remaining four Council members. Citizen representatives included individuals experienced in both non-profit and for-profit housing development, and with CDBG programs. Based on the Committee's knowledge of housing issues facing the community, they also acted as the reviewing body for the Housing Element and Technical Data Report. City staff met with the Committee on several occasions to receive their input on the major housing issues facing the community, and to refine Housing Element policies and programs to address identified housing needs.

Prior to public hearings, public participation was provided for in a special Housing Element workshop conducted by City staff. The purpose of the workshop was to review the findings of the Element and Technical Data Report, and to receive community input on proposed policies and programs. In addition to the public workshop, staff conducted study sessions with the Planning Commission and City Council prior to each body conducting public hearings on the Housing Element. The workshop and study sessions were advertised both in the local newspaper, as well as through direct mailings to interested community members.

Public participation was also provided in the form of public hearings. Following the preparation of the Draft Housing Element and its review by the Housing Committee, Council and Commission, and the public, the Planning Commission and City Council conducted public hearings on the Element. All public hearings were advertised in the newspaper, with notices mailed to interested citizens and community groups. Once the public hearings and related reviews were completed, the City Council formally adopted the Element.

## 2.0 SUMMARY OF HOUSING NEEDS, CONSTRAINTS AND OPPORTUNITIES

As part of this Housing Element update, a separate Technical Data Report was prepared which documents the population, socio-economic, and housing characteristics of the City of Huntington Beach. This background report helped to define the City's current and projected housing needs and to provide direction in the development of goals, policies and programs to address these needs in the Housing Element.

This section of the Housing Element summarizes the findings of housing need from the Technical Data Report. In addition, certain constraints which may discourage the construction of new housing are evaluated, as well as opportunities that will further the development housing in the community.

### 2.1 Summary of Housing Needs

A number of factors will influence the degree of demand or "need" for new housing in Huntington Beach in coming years. The four major "needs" categories considered in this Element include:

- Housing needs resulting from increased population growth, both in the City and the surrounding region;
- Housing needs resulting from the deterioration or demolition of existing units;
- Housing needs that result when households are paying more than they can afford for housing;
- Housing needs resulting from the presence of "special needs groups" such as the elderly, large families, female-headed households, households with a handicapped person, and the homeless.

#### 2.1.1 Population Growth

The 1988 population of the City of Huntington Beach was nearly 188,000 persons, making it the third largest city in Orange County behind only Anaheim and Santa Ana. During the 1980's, Huntington Beach experienced an average annual growth rate of 1.25%, somewhat below that experienced County-wide. The City's slowing population growth rate is indicative of the fact that Huntington Beach is an older, more built out community with limited vacant land available for residential development.

Growth projections through the year 2010 indicate a further slowing in the City's population growth to an average annual rate of .63%. As discussed under Housing Opportunities, much of the City's future growth will be accommodated through the recycling of existing residential and non-residential land uses, and through the removal of development constraints on vacant parcels related to oil production, floodplain regulations and fragmented ownerships.



### **2.1.2 Substandard Units**

The accepted standard for housing rehabilitation needs is after 30 years. In 1988, only seven percent of Huntington Beach's housing stock was over 30 years old. However, in ten years, nearly half of the City's housing will be over 30 years of age, indicating the need for continued housing maintenance to prevent widespread housing deterioration.

Existing substandard housing in Huntington Beach is primarily concentrated in the City's older residential areas. The City has targeted seven neighborhoods characterized by high levels of housing deterioration for rehabilitation assistance. Through its Community and Neighborhood Enhancement Program, the City offers low interest rehabilitation loans as an incentive for unit upgrading, and in addition provides needed public improvements to these neighborhoods.

The Housing Element sets forth policies and programs to encourage the maintenance of the City's housing stock. These policies include:

- Encourage the maintenance of the existing housing stock to prevent unit deterioration.
- Encourage the rehabilitation of substandard and deteriorating housing.
- Promote the removal and replacement of substandard units which cannot be rehabilitated.

### **2.1.3 Affordability**

State and Federal standards for housing overpayment are based on an income-to-housing cost ratio of thirty percent and above. Households paying greater than this amount will have less income left over for other necessities, such as food, clothing and health care. It is recognized, however, that upper income households are generally capable of paying a larger proportion of their income for housing, and therefore estimates of housing overpayment generally focus on lower income groups.

The Regional Housing Needs Assessment (RHNA) prepared by SCAG identifies housing overpayment for the City's lower income households.(a) According to the RHNA, an estimated 10,565 (or 45 percent) of Huntington Beach's lower income households were paying more than 30 percent of their income on rent or mortgage payments as of January 1, 1988. Of these overpayers, 5,961 are classified as Very Low Income, and 4,604 are Low Income.

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(a) Lower income households are defined as households whose total gross income is less than 80 percent of the County median. "Lower income" encompasses both Very Low and Low Income groups.

The distinction between renter and owner housing overpayment is important because, while homeowners may overextend themselves financially to afford the option of home purchase, the owner always maintains the option of selling the home. Renters, on the other hand, are limited to the rental market and are generally required to pay the rent established in that market. According to the RHNA, of the total 10,565 lower income households identified as overpayers in Huntington Beach, 8,638 were renter households and only 1,927 were owner households. This discrepancy is largely reflective of the tendency of renter households to have lower incomes than owner households.

#### 2.1.4 Special Needs Groups

Certain segments of the population may have a more difficult time finding decent, affordable housing due to special circumstances. In Huntington Beach, these "special needs" households include the elderly, handicapped persons, large families, farmworker households, female headed households, and the homeless.

**Elderly:** The special needs of many elderly households result from their lower, fixed incomes, physical disabilities, and dependence needs. An estimated 14,266 elderly (65 years and over) resided in Huntington Beach in 1988, representing 7.6 percent of the total population. The proportion of elderly can be expected to increase as those persons between the age of 35 and 64 grow older. Many elderly households in the City are of lower income, and of these the City's 1988 Housing Assistance Plan (HAP) estimates 1,226 are in need of rental assistance. Escalating housing costs, particularly in the rental market, severely impact housing affordability for the elderly, who are usually on fixed incomes. The housing needs of the elderly can be addressed through the provision of smaller units, second units on lots with existing homes, shared living arrangements, congregate housing, and housing assistance programs.

**Handicapped:** Physical handicaps can hinder access to housing units of traditional design as well as limit the ability to earn adequate income. Huntington Beach's Housing Assistance Plan identifies 1,444 low and moderate income households that have at least one handicapped person, representing approximately .8 percent of total households within the City in 1988. The City's handicapped can be classified according to the following household groups:

#### City of Huntington Beach Handicapped Households

|                        |            |
|------------------------|------------|
| Elderly                | 86         |
| Single,<br>non-elderly | 425        |
| Small Family           | 749        |
| Large Family           | <u>184</u> |
| Total Households       | 1,444      |

Source: City of Huntington Beach, Housing Assistance Plan, 1988-1991

Housing opportunities for the handicapped can be maximized through housing assistance programs and providing design features such as widened doorways, ramps, lowered countertops, single-level units, and ground floor units. The Housing Element sets forth policies to implement State standards for the provision of handicapped accessible units in new development and, in addition, to encourage housing which is provided for the handicapped to be located in close proximity to public transportation and services.

**Large Families/Unit Overcrowding:** Large families are identified as a group with special housing needs based on the limited availability of adequately sized, affordable housing units. Large families are often of lower income, frequently resulting in the overcrowding of smaller dwelling units and in turn accelerating unit deterioration. Approximately 9.8 percent of the City's households in 1988 had five or more members, translating to 6,878 households. The demand for larger units in the City can be expected to increase based on the City's growing ethnic population and the desire/need of many of these ethnic groups to cohabitate with extended families. The housing needs of large households can be addressed through the provision of affordably-priced larger housing units and through rental assistance programs. The City has coupled rental assistance with its rental rehab program to offer larger units to overcrowded households, and in addition offers single-family rehabilitation loans for room additions to alleviate overcrowding.

**Female-Headed Households:** Female-headed households tend to have low incomes, thus limiting housing availability for this group. In 1988, an estimated 9 percent, or 6,316, households were headed by a woman in Huntington Beach. The City's Housing Assistance Plan estimates that 4,268 female-headed households (67%) in Huntington Beach have dependent children under 18 years of age. Thus, providing housing opportunities for this group relates both to affordability and services related to the care of children.

**Farmworkers:** The special housing needs of many farmworkers stem from their low wages and the insecure nature of their employment. Those persons working in the farming industry have been counted by the 1980 U.S. Census and are also included in the City's 1984 Housing Element. According to the Census, approximately one percent of the total labor force in Huntington Beach was employed in farming, forestry, or fishing. According to the City's Housing Element, there were 878 persons employed as farmers residing in the City in 1984, or .6 percent of those persons aged 18 and over. Housing opportunities for farmworkers can be enhanced by expanding the City's affordable housing stock.

**Homeless:** Throughout the country, homelessness has become an increasing problem. Factors contributing to the rise in homeless include the general lack of housing affordable to low and moderate income persons, increases in the number of persons whose incomes fall below the poverty level, reductions in public subsidy to the poor, and the de-institutionalization of the mentally ill. Based on estimates by the Orange County Homeless Issues Task Force, the County's homeless population consists of



approximately 8,000 to 10,000 individuals, some of whom are located in Huntington Beach. As a beach community, the City attracts numerous individuals who congregate along the beach, under the pier, by the Santa Ana River bed, and in Central Park. The Episcopal Service Alliance (ESA), an ecumenical organization in Huntington Beach which provides social services for homeless, reported for February 1989 the number and types of homeless which sought their assistance. As the figures below reveal, the majority of homeless seeking assistance are couples with children (195) and lone females with children (152). These totals, however, represent only a portion of the actual number of homeless in the City. ESA indicates that as referrals of the service continue to spread, the total number of homeless reported continues to increase every month.

City of Huntington Beach  
Homeless Seeking Assistance

| <u>Type</u>  | <u>Total<br/>Individuals</u> |
|--|------------------------------|
| Homeless with no shelter                             | 17                           |
| Homeless in Motels                                   | 21                           |
| Homeless and Mentally Ill                            | 3                            |
| Homeless Families                                    | 24                           |
| Couples  | 12                           |
| Couples with children                                | 195                          |
| Lone Females   | 16                           |
| Lone Females with children                           | 152                          |
| Lone Males   | 37                           |
| Lone Males with children                             | 4                            |
| Total  | 481                          |
| Source: Episcopal Service Alliance,<br>February 1989 |                              |

The City currently operates a program to provide housing assistance, along with other social services, to single parents who are currently homeless or at risk of becoming homeless. In addition, the Housing Element calls for the City to provide financial assistance to groups which provide services to the area's homeless population including a new youth shelter set to open in the City. As part of the current update to the City's Zoning Ordinance, appropriate zones will be identified for the development or rehabilitation of transitional housing and emergency shelters for the homeless.

## 2.2 Housing Constraints

Actual or potential constraints on the provision and cost of housing affect the development of new housing and the maintenance of existing units for all income levels. Market, governmental, infrastructural, and environmental constraints to housing development in Huntington Beach are discussed below.

### 2.2.1 Market Constraints

The high cost of renting or buying adequate housing is the primary ongoing constraint to providing adequate housing in the City of Huntington Beach. High construction costs, labor costs, land costs and market financing constraints are all contributing to increases in the availability of affordable housing.

**Construction Costs:** The single largest cost associated with building a new house is the cost of building materials, comprising between 40 to 50 percent of the sales price of a home. Overall construction costs rose over 30% percent between 1980 and 1988, with the rising costs of energy a significant contributor. Construction costs for wood frame, single-family construction of average to good quality range from \$40 to \$55 per square foot, custom homes and units with extra amenities running somewhat higher. Costs for wood frame, multi-family construction average around \$42 per square foot, exclusive of parking.

A reduction in amenities and quality of building materials (above a minimum acceptability for health, safety, and adequate performance) could result in lower sales prices. Additionally, pre-fabricated, factory built housing provides for lower priced housing by reducing construction and labor costs. An additional factor related to construction costs is the number of units built at the same time. As the number of units developed increases, construction costs over the entire development are generally reduced based on economies of scale. This reduction in costs is of particular benefit when density bonuses are utilized for the provision of affordable housing. Redevelopment set-aside monies have been allocated to a "private market leveraging" program in which the City writes down development costs in exchange for affordable units.

**Land:** Land costs include the cost of raw land, site improvements, and all costs associated with obtaining government approvals. The limited supply of developable vacant land in Huntington Beach has accounted for a steady increase in raw land costs. Residential land in Huntington Beach cost an average of \$6 to \$8 per square foot in 1984, whereas land costs in 1989 averaged between \$10 and \$13 per square foot on parcels with single-family zoning and \$20 and \$25 per square foot on parcels zoned for multi-family development. It is estimated that these costs contribute 20 to 25 percent to the final sales price of a new home. Left alone, the rapidly escalating market price of land will tend to encourage mainly higher priced development. Higher density zoning could reduce the cost per unit

of land, but land zoned for higher densities commands a higher market price. For this reason, density bonuses rather than zoning changes may be the preferred vehicle for reducing land costs. The Housing Element identifies the use of land assemblage and write-down as an incentive for the provision of affordable units.

**Labor Costs:** Labor is the third most expensive component in building a house, constituting an estimated 17% of the cost of building a single-family dwelling. The cost of union labor in the construction trades has increased steadily since April 1974. The cost of non-union labor, however, has not experienced such significant increases. Because of increased construction activity, the demand for skilled labor has increased so drastically that an increasing number of non-union employees are being hired in addition to unionized employees, thereby lessening labor costs.

**Financing:** While interest rates have fallen more than 10 percent from their near 20 percent high in the early 1980s, they still have a substantial impact on housing costs which is felt by renters, purchasers and developers. It should be noted that some mortgage financing is variable rate, which offers an initial lower interest rate than fixed financing. The ability of lending institutions to raise rates to adjust for inflation may cause many existing households to overextend themselves financially, as well as returning to a situation where high financing costs substantially constrain the housing market. An additional obstacle for the first-time home buyer continues to be the 10-20% downpayment required by lending institutions.

The median sales price of a single-family home in Huntington Beach (1988) was \$222,000. A \$199,800 mortgage (10% down payment) amortized over 30 years at an interest rate of 10.5% would result in monthly house payments of \$1,827. This level of payment eliminates Huntington Beach's very low, low and moderate income households from the for-sale housing market. Condominiums do, however, offer an alternative homeownership opportunity for many of the City's moderate income households.

Interest rates are determined by national policies and economic conditions, and there is little that local governments can do to affect these rates. Jurisdictions can, however, offer interest rate write-downs to extend home purchase opportunities to lower income households. Through its mortgage revenue programs, the City provides interest rate write-downs to benefit Low and Moderate Income households. A special multi-family unit interest rate write-down program is being developed by the City to conserve existing Federally-subsidized housing projects. Finally, the City is developing a shared equity program for downpayment assistance to first-time homebuyers and is exploring the implementation of a mortgage credit certificate program.

**Profit, Marketing and Overhead:** Developer profits generally comprise 10-15% of the selling price of single-family homes and slightly lower for condominiums. However, in communities like Huntington Beach where the market demand for housing is high in comparison to the available housing supply, and home purchasers often desire more amenities, developers are able to command higher prices and often realize greater margins of profit.



Rising marketing and overhead costs have contributed to the rising costs of housing. Inflation has spurred much of the increase in marketing and overhead. Intense competition among developers has necessitated more advertising, more glamorous model homes and more expensive marketing strategies to attract buyers.

## **2.2.2 Governmental Constraints**

Housing affordability is affected by factors in both the private and public sectors. Actions by the City can have an impact on the price and availability of housing in the City. Land use controls, site improvement requirements, building codes, fees and other local programs intended to improve the overall quality of housing may serve as a constraint to housing development.

**Land Use Controls:** As indicated in the Section on Housing Opportunities, an estimated 4,997 new residential dwelling units could be developed on unconstrained vacant lands in Huntington Beach under the General Plan. Additional residential development in the City will, however, be accommodated through several other means, including development on under-utilized residential parcels, on non-residential land, and on surplus school sites. Considering the potential from all these sources, a total of 7,527 additional dwelling units could be accommodated in Huntington Beach. SCAG has estimated a future housing need of 6,228 new units in the City through the year 1994. The Plan thus provides for a residential development capacity which is more than adequate to serve projected future housing demand. The Land Use Plan cannot, therefore, be interpreted as a constraint to the provision of affordable housing, particularly since 3,676 units are designated for higher density housing (Medium High and High Density Residential) and can more readily be priced to meet the needs of lower income households.

**Fees and Improvements:** Various fees and assessments are charged by the City to cover the costs of processing permits and providing services and facilities, such as utilities, schools and infrastructure. Almost all of these fees are assessed through a pro rata share system, based on the magnitude of the project's impact or on the extent of the benefit which will be derived. However, these fees contribute to the cost of housing and may constrain the development of lower priced units. The Housing Element calls for the City to monitor all regulations, ordinances, departmental processing procedures, and residential fees related to rehabilitation and/or construction to assess their impact on housing costs. The City's Senior Citizen Residential Suffix Zone establishes reduced development standards (e.g., parking requirements) to lessen the cost of developing housing for the elderly.

**Building Codes and Enforcement:** The City of Huntington Beach has adopted the State Uniform Building, Housing, Plumbing, Mechanical and Electrical Codes. These codes are considered to be the minimum necessary to protect the public health, safety and welfare. The local enforcement of these codes does not add significantly to the cost of housing.



**Local Processing and Permit Procedures:** The evaluation and review process required by City procedures contributes to the cost of housing in that holding costs incurred by developers are ultimately manifested in the unit's selling price. One potential way to reduce housing costs is to reduce the time for processing permits. As review times are already streamlined in the City, cost savings from "fast track" processing would be minimal. Nonetheless, as land holding costs can run over \$1,000 per unit for a 9 to 12 month period, the City is considering developing an expedited processing procedure for residential projects with an affordable component.

### 2.2.3 Environmental and Infrastructure Constraints

Portions of Huntington Beach are exposed to a variety of environmental hazards and resources which may constrain the development of lower priced units. In addition, deficiencies exist related to the provision of infrastructure to service new residential development.

**Floodplain:** Situated on a low-lying plain and bounded by the Santa Ana River, Huntington Beach faces significant flood hazard. Over half the City's acreage, and approximately 70-80% of its residentially designated acreage, falls within the Flood Hazard Zone as defined by the Federal Emergency Management Agency (FEMA). FEMA regulations require that all new residential development be graded up above the 100-year flood elevation which ranges from approximately one to 11 feet in the City. These restrictions on development in the floodplain results in a reduction in the number of units that can be built, increases the costs of construction, and slows down development.

**Oil Resources:** Huntington Beach is historically an oil town. The numerous oil facilities currently operating in the City serve to reduce the amount of land currently available for development. While residential projects can sometimes be developed around producing wells, often development must be postponed until oil production halts and facilities are abandoned (20 to 30 years). The presence of oil facilities thus reduces the amount of acreage available for development in the near future and/or increases the cost of development.

The City's Redevelopment Agency is currently working with a private oil company in developing an oil consolidation site in downtown Huntington Beach. By consolidating the City's oil wells and storage tanks onto a single site, the City's "oil lots" will be opened up for development. Approximately 90 percent of the City's oil lots have been purchased by the oil company, with the goal of completing the consolidation site within a two year period.

In addition to the oil consolidation site, the City is working with property owners to implement measures to mitigate constraints to development on sites with remaining oil facilities. These measures include buffering/screening existing oil islands, abandonment of oil wells, and creation of Specific Plans.

**Hazardous Waste:** Because of the long history of oil recovery operations in Huntington Beach, some vacant residential properties contain hazardous wastes related to abandoned oil wells, oil pipelines, or potential gas risk. These contaminated sites will require clean up prior to their development, thus adding to the costs of developing on these sites.

**Public Services and Facilities:** As a highly urbanized community, most areas of the City are already served by sewer lines, water lines, streets, storm drains, telephone, electrical and gas lines. However, a major area of vacant land east of the Bolsa Chica wetlands area is designated for Residential Estate has remained undeveloped due to the lack of water and sewer lines and storm drains in the area. To facilitate development in this area, the recently completed Ellis Goldenwest Specific Plan provides for necessary infrastructure improvements to be installed over the next few years. This Specific Plan will also help to alleviate another constraint to development in this area, fragmented land ownership.

## 2.3 Housing Opportunities

This section evaluates the potential additional residential development which could occur under the City's General Plan and zoning on vacant and underutilized land.

### 2.3.1 Vacant Sites

Vacant land planned for residential development is relatively scarce in Huntington Beach. Approximately 725 acres, or six percent, of the City's total 11,918 residential acres are currently vacant. Under existing zoning and general plan designations, these residential acres could support a maximum buildout of 7,587 additional housing units. However, as discussed in the previous section on environmentally constrained lands, much of the City's vacant residential land has been subject to development constraints related to oil production and fragmented ownerships. The City is actively working with property owners to remove these constraints by creating an oil consolidation site, developing specific standards to ensure compatibility between oil islands and residential uses and through implementation of Specific Plans. Through the City's activities, the following four areas which had previously been constrained due to oil production activities will now be available for residential development. These areas are illustrated in Figure 1, and their dwelling unit capacity described below:

**Area #1:** This parcel is approximately 19.69 acres in size and is designated for High Density Residential, permitting up to 35 dwelling units per acre. While the property has been historically utilized for oil production, the few oil wells remaining on the site are in the process of being removed. The property owner has submitted development plans to the City for 331 attached townhome units on the site. Construction of these units is anticipated to begin in Spring 1990.

**Area #2:** The Redevelopment Agency is currently working with a private oil company in developing an oil consolidation site in downtown Huntington Beach. Existing oil facilities located on the 20.72-acre Area #2 site are to be relocated on the oil consolidation site. Existing High Density Residential zoning on the site would permit the development of approximately 725 multi-family dwelling units on the property.

**Area #3:** This area consists of approximately 47.62 acres designated as Residential Estate Density (2 du/acre). The site is located in the Holly-Seacliff Master Plan area adjacent the proposed linear park. While the area had previously been identified as constrained by oil production, the Master Plan provides for mitigation of oil constraints, through abandoning some wells and creating "oil islands" with remaining on-site oil facilities. By mitigating restrictions on development, approximately 95 single-family dwelling units will be able to be accommodated on this site.



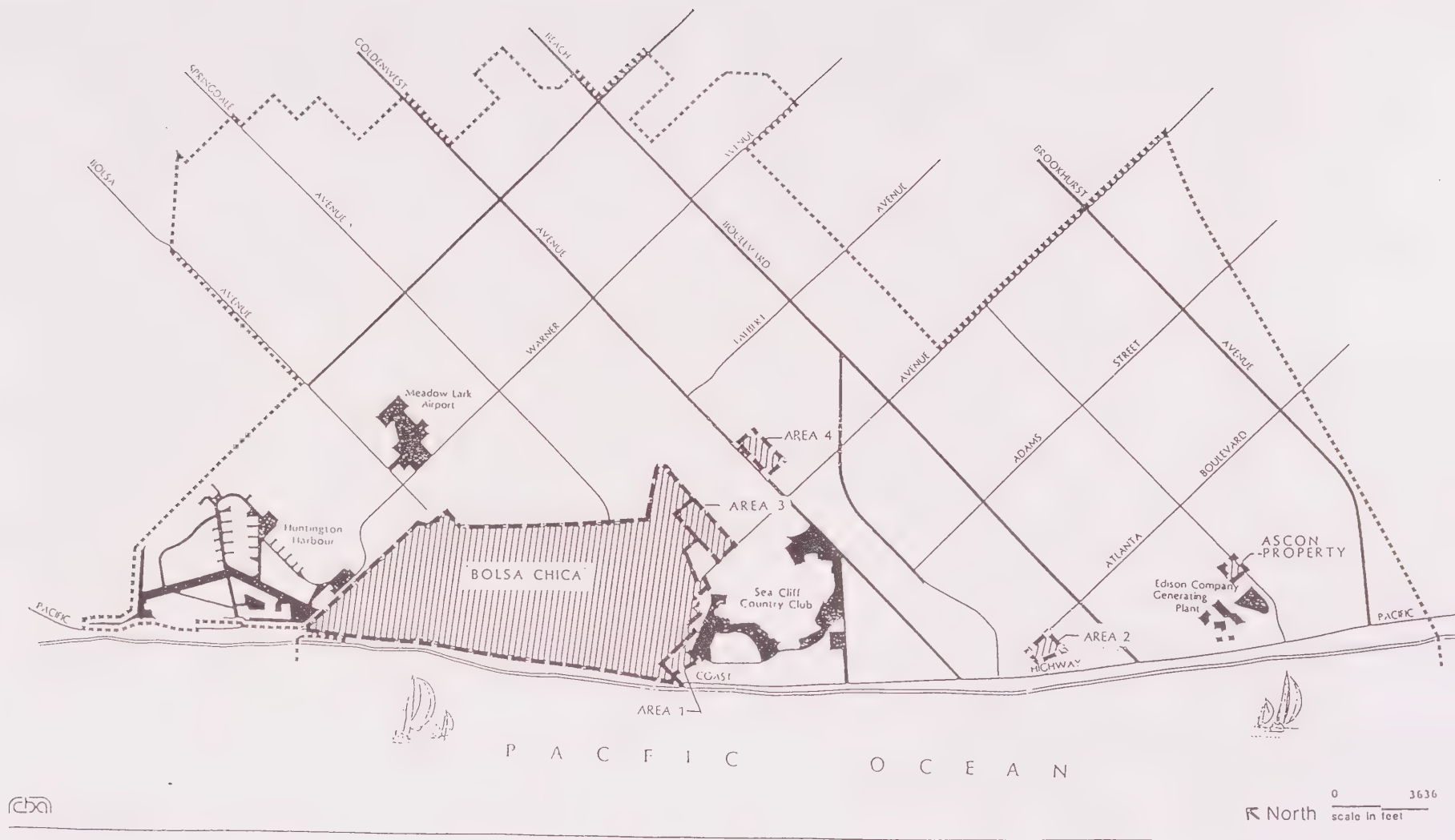


FIGURE 1  
PREVIOUSLY CONSTRAINED LANDS SUITABLE FOR RESIDENTIAL DEVELOPMENT

**Area #4:** Similar to Area #3, this 38.48 acre site is located in the Holly-Seacliff Master Plan, which provides for mitigation of existing oil constraints. The Master Plan designates this site for an overall average density of seven dwelling units per acre, providing for a total of 269 dwelling units.

Through the City's efforts, 126 acres of land which had previously been constrained by oil production activities will be opened up to development. This residential acreage will provide for an increase in dwelling units, ranging from low density estate housing, to high density apartments and condominiums. The City will continue to explore and inventory sites for housing development. A potential target site for higher density housing includes the McDonnell Douglas property located at Bolsa Avenue.

Table 1 provides a breakdown of the number and type of additional residential dwelling units which could be constructed in Huntington Beach under the General Plan. Of the City's total 725 vacant residential acres, 478.8 acres can be considered unconstrained and available for development over the five-year period of the Housing Element. This acreage will support a maximum buildout of 4,997 dwelling units, ranging in density from 2 to 35 units per acre. Nearly half (45 percent) of the potential dwelling units are the Medium-High and High Density residential land use categories, providing opportunities for lower cost housing development. Approximately one-quarter of these potential units are designated for Medium Density Residential, indicating a significant proportion of future residential growth will be in the form of duplexes and townhomes and lower density apartments and condominiums. Single-family homes will comprise approximately one-quarter of the City's future residential growth. A recently-adopted Specific Plan for the Ellis Goldenwest area will serve as a vehicle for consolidating land ownerships, providing for approximately 600 residential estate dwelling units.

### **2.3.2 Underdeveloped Sites**

In addition to development on vacant lands, there is the potential for new residential development on sites which are currently developed at densities lower than those permitted under the General Plan and zoning. In the Townlot, Oldtown and Downtown areas, many of the areas designated for densities of 15 units/acre are currently developed with single-family and lower density multi-family uses. Recycling of these lower density uses occurs when the intensity of use allowed in the zone more than offsets the costs of acquiring the improved site, demolishing the existing units, and constructing new higher density units. For the past several years, substantial recycling activity has been occurring in the Townlot, Oldtown and Downtown areas indicating that permitted densities are high enough to warrant recycling. Interestingly, while City zoning permits densities up to 15 units per acre in these areas, the market demand for single family homes has resulted in the majority of replacement units developed as single-family detached units. Single-family residential uses in the Townlot, Downtown and Oldtown areas are predominately developed on 50' x 115' and 25' x 115' sized lots. The recycling trend in these areas

**TABLE 1**  
**CITY OF HUNTINGTON BEACH**  
**VACANT LANDS SUITABLE FOR RESIDENTIAL DEVELOPMENT: 1989**

| Land Use Category                      | <u>Total</u>      |                  | <u>Unconstrained</u> |                  | %<br>Total<br>DUs |
|--|-------------------|------------------|----------------------|------------------|-------------------|
|  | Vacant<br>Acreage | Potential<br>DUs | Vacant<br>Acreage    | Potential<br>DUs |                   |
| Residential Estate<br>(2-4 du/ga)      | 222.0             | 724              | 182.6                | 605              | 12%               |
| Residential Low Density<br>(7 du/ga)   | 98.39             | 688              | 86.41                | 605              | 12%               |
| Residential Medium Dens.<br>(15 du/ga) | 159.73            | 2,407            | 77.91                | 1,169            | 24%               |
| Residential Medium-High<br>(25 du/ga)  | 17.55             | 439              | 17.55                | 439              | 9%                |
| Residential High Density<br>(35 du/ga) | 62.05             | 2,172            | 62.05                | 1,813            | 36%               |
| Planned Community<br>(7 du/ga)         | 165.28            | 1,157            | 52.28                | 366              | 7%                |
| <b>TOTAL</b>                           | <b>725.00</b>     | <b>7,587</b>     | <b>478.8</b>         | <b>4,997</b>     | <b>100%</b>       |

Source: City of Huntington Beach Community Development Department,  
January 1989.



has been to demolish the existing single-family structure, and replace the unit with either two or three single-family units. Table 2 illustrates the level of recent recycling activity, with 43 single-family units demolished in these areas in 1988, and 26 in the first six months of 1989.

In order to estimate the net increase in residential development attributed to recycling over the five year period of the Housing Element, recycling activity over the past 18 months can be applied to the 1989-1994 period. Replacement units can be conservatively estimated at a ratio of two-to-one, although it is likely many single units will be replaced at a three-to-one ratio. Based on these assumptions, it is estimated that the City will experience an annual recycling of 47 existing units, to be replaced with a total of 94 new units. Applying this annual recycling rate to the five year period of the Housing Element translates to an estimated net increase in 235 single family units which can reasonably be expected to develop during the 7/89 - 6/94 period. It should be mentioned, however, that many of the older residences in these areas are identified as historically significant on a local survey, and their removal would need to be addressed under CEQA.

TABLE 2  
CITY OF HUNTINGTON BEACH  
RESIDENTIAL RECYCLING ACTIVITY  
(OLDTOWN, TOWNLOT, AND DOWNTOWN AREAS)

| Single-Family Units Recycled to Higher Densities |      |               |
|--|------|---------------|
|  | 1988 | Jan-June 1989 |
| Oldtown  | 8    | 8             |
| Townlot  | 32   | 17            |
| Downtown   | 3    | 1             |
| Total  | 43   | 26            |

Source: City of Huntington Beach  
Community Development Department

### 2.3.3 Second Units

Intensification of development in existing residential areas could also occur through the addition of "second units" on single-family lots. Second units, or granny flats as they are commonly known, are dwelling units constructed on the same parcel on which the primary single-family unit is located, providing independent living quarters which the homeowner may rent out or provide for a family member or other persons(s). Second units provide a cost effective means of serving additional development through the use of existing infrastructure, and provide affordable housing for low and moderate income small households. Second units have the additional benefit of allowing many older persons to remain in their homes by providing additional income and security.

The City has adopted an ordinance to facilitate and regulate the development of second units. While the ordinance does require a Conditional Use Permit for development of second units, reasonable parking and other requirements have been established so as not to discourage their development. Planning Department records indicate approximately 24 applications for second units have been submitted to the City since 1984, averaging about five applications per year. Using this data to estimate the number of future second unit applications suggests that approximately 25 new applications could be expected over the five year period of the Housing Element.

### 2.3.4 Redevelopment Areas

Five redevelopment project areas have been established in Huntington Beach: Huntington Center, Oakview, Talbert-Beach, Yorktown-Lake, and Main-Pier. Activities involving residential use include affordable senior housing, rehabilitation of existing units, residential/commercial mixed-use, and market-rate single family and multi-family development. Within the five year period of the Housing Element, the City is committed to working with the development community to achieve an additional 900+ units in the Main Pier redevelopment project area. These units will be developed on property contained within the following three projects:

The Waterfront: Pursuant to the approved Development Agreement for The Waterfront project, a total of 894 high density residential units (35 du/acre) may be constructed north of Walnut Avenue between Beach Boulevard and the northerly property boundary. Approximately half of the units (448) are to be constructed in the first phase, scheduled for completion in 1992, with an additional one-quarter of the units (223) to be constructed in 1994 as Phase 2, thereby totaling 671 units to be developed within the five year time frame of the Housing Element.

Pier Colony: This high density condominium project (32 units/acre) located at Pacific Coast Highway and Second Street is scheduled for completion in July 1990. It will consist of 130 one- and two-bedroom condominiums.

Main Pier Phase II: This mixed-use project located at Pacific Coast Highway and Sixth Street is currently in the planning stages. At this time, 103 medium-high density units (25 units/acre) are proposed, with a scheduled completion date of June 1991.

### **2.3.5 Non-Residential Land**

In addition to land which is currently designated for residential development, the City is in the process of redesignating a non-residential parcel to accommodate residential land uses. City Council and Coastal Commission have ammended the General Plan to redesignate the 40-acre Ascon property from Public, Quasi-Public, Institutional to Residential Medium Density. (The site's general location is identified on Figure 1). The conceptual plan approved for this property provides for a total of 600 dwelling units at an average density of 15 du/acre.

The Ascon site has historically been utilized as a landfill, and will require site clean-up to remove contaminated soil. The applicant is in the process of preparing a remediation plan for soil clean-up, with site clean-up estimated to be complete within the next two years. Residential development on the site will immediately follow site clean-up, and may be expected to be completed by the end of 1992.

### **2.3.6 Surplus Land**

Two former school sites are presently either under construction or in the entitlement stage for residential development in Huntington Beach. Crestmore Estates is a 52-unit low density single-family project which is now under construction. Heritage Village is a mixed development project which is still in the entitlement stage. It is a 15.2 acre, 520 unit residential/commercial project which is proposed at a density of 34 units per acre. The zoning will be a Specific Plan.

In addition to these school sites, four other residentially-zoned school sites are being proposed for residential development by the school districts. Huntington Beach Elementary District has proposed 9.75 acres for residential on its Lebard School site, and Fountain Valley School District has advertised for bids on its 9.10 acre Bushard School site. These two sites are both zoned R-1/7du/acre, providing for the development of 132 dwelling units. Two other surplus school sites, Golden West College (6.81 acres) and Wintersburg High School (14 acres), have been advertised for bids by the school districts. These sites are zoned single-family residential and residential-agriculture respectively, and could accommodate a total of 62 dwelling units. However, development under this twenty year old base zoning would be incompatible given the location of these sites along major arterials and surrounding higher densities. These sites will likely be rezoned to accommodate higher density residential development consistent with their setting.



### 2.3.7 Bolsa Chica

The Bolsa Chica area is another very significant housing opportunity for the City. The City has initiated annexation procedures for the 1,635 acre vacant area known as the Bolsa Chica. While nearly two-thirds of the Bolsa Chica is comprised of a State Ecological Reserve and wetland, the remaining 400-plus acres located immediately adjacent exiting residential neighborhoods, are planned for residential development. The Bolsa Chica is located within the City's sphere of influence and is surrounded on all three sides by the City of Huntington Beach (refer to Figure 1). At the meeting of October 2, 1989, the City Council selected an outside law firm to assist the City in preparation of a development/pre-annexation agreement for the Bolsa Chica area. In addition, a memorandum of understanding on the Bolsa Chica Environmental Impact Statement (EIS) was approved by Council at their meeting of October 16, 1989.

Property owners in the Bolsa Chica area include Signal Landmark Inc., State Lands Commission, the Metropolitan Water District, Ocean View School District, Donald Goodell, the Fieldstone Company and the Huntington Beach Company; all have been supportive of annexation to the City. The anticipated time frame for annexation includes completion of the Final EIS by Fall 1991, with annexation to occur in early 1992. Development is expected to occur within 3 years and will include a minimum of 4,200 and a maximum of 5700 residential units. A coalition representing five interest groups (Orange County, State Lands, property owner Signal Landmark, Inc., a citizens interest group Amigos de Bolsa Chica, and the City) is meeting to assist in the determination of the number of residential units; Figure 2 provides a conceptual plan of development in the Bolsa Chica as proposed by the coalition. The actual number of units is uncertain at this time and will be determined based upon an ongoing traffic study, availability of sewer and water, and additional parameters to be discussed in the EIR.

City services appear adequate to serve the project development and the City is participating in the Bolsa Chica traffic modeling project to insure that circulation concerns are addressed.

### 2.3.8 Availability of Public Services and Facilities

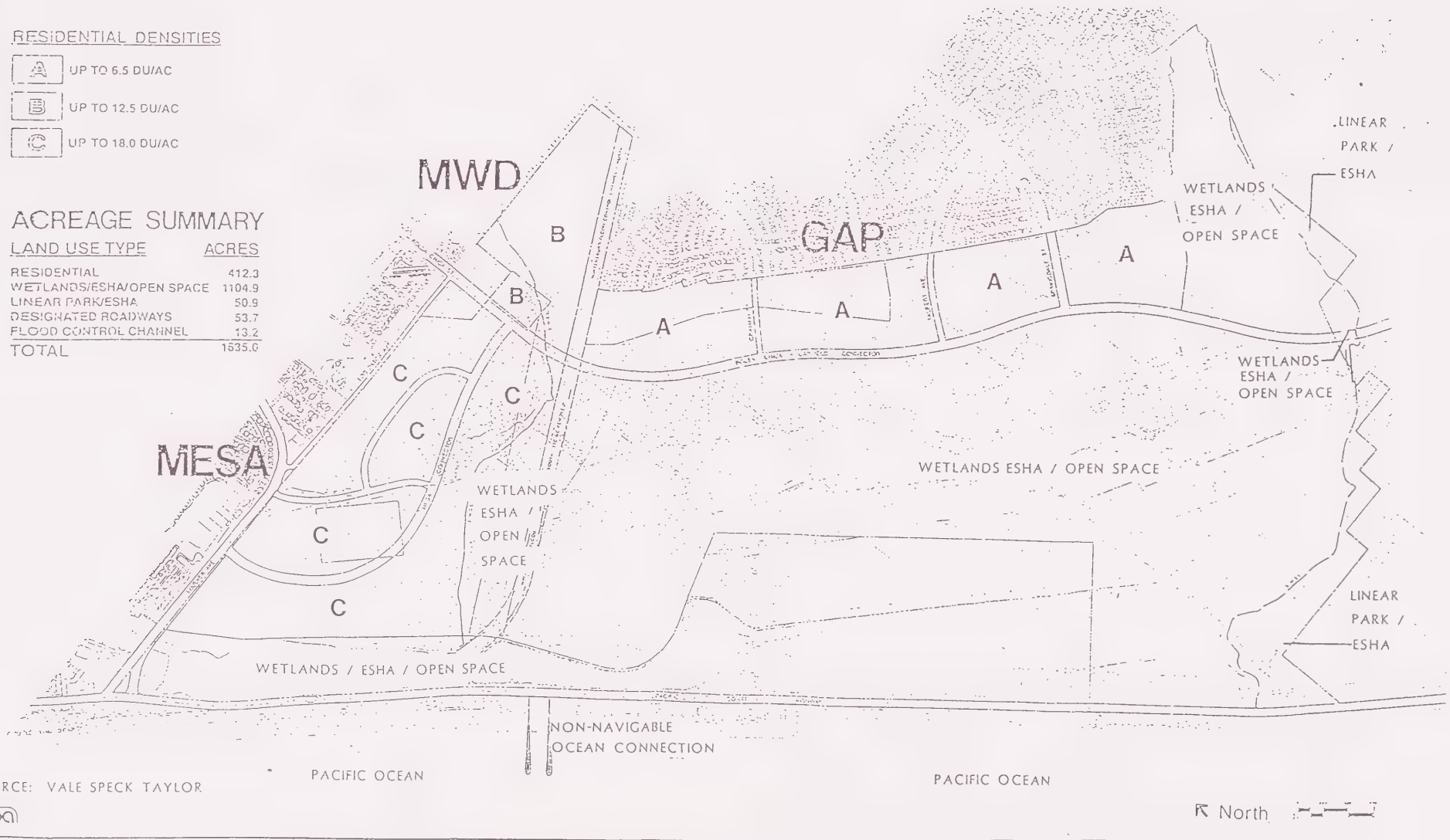
As a highly urbanized community, public facilities are available to facilitate development throughout Huntington Beach. All of the land designated for residential use in the Low Density, Medium Density, Medium-High Density and High Density categories is presently served by sewer lines, water lines, streets, storm drains, telephone, electrical and gas lines. While areas designated for Residential Estate are not currently served by sewer and water lines and storm drains, the Ellis Goldenwest Specific Plan provides for necessary improvements to be installed over the next few years. This Specific Plan will also help to alleviate another constraint to development in this area, fragmented land ownership.

# RESIDENTIAL DENSITIES

|          |                  |
|----------|------------------|
| <b>A</b> | UP TO 6.5 DU/AC  |
| <b>B</b> | UP TO 12.5 DU/AC |
| <b>C</b> | UP TO 18.0 DU/AC |

## ACREAGE SUMMARY

| LAND USE TYPE            | ACRES         |
|--------------------------|---------------|
| RESIDENTIAL              | 412.3         |
| WETLANDS/ESHA/OPEN SPACE | 1104.9        |
| LINEAR PARK/ESHA         | 50.9          |
| DESIGNATED ROADWAYS      | 53.7          |
| FLOOD CONTROL CHANNEL    | 13.2          |
| <b>TOTAL</b>             | <b>1535.0</b> |



SOURCE: VALE SPECK TAYLOR



FIGURE 2  
BOLSA CHICA RESIDENTIAL DEVELOPMENT PLAN

### 2.3.9 Residential Development Potential Compared with Huntington Beach's Housing Needs

As indicated in Section 3.4 of the Housing Element, the Regional Housing Needs Assessment (RHNA) prepared by SCAG has identified a future housing need for Huntington Beach of 6,228 units to be developed over the next five years (1989-1994). Combining the residential development potential on vacant, underutilized, redevelopment, non-residential and surplus sites, an estimated 7,527 additional units(a) could be developed in the City (refer to Table 3). This would indicate that the City's General Plan and zoning provide for a residential development capacity which is adequate to accommodate the City's share of regional housing needs. In addition, with annexation of the Bolsa Chica, an estimated 4,200 to 5,700 additional dwelling units could be accommodated in Huntington Beach.

In terms of development opportunities for lower income households, approximately half of potential residential growth is allocated to higher density housing (Medium-High and High Density Residential), which can more readily be priced to meet the needs of Very Low and Low Income households. However, even at these higher densities, the City will need to offer incentives to private market developers to ensure the provision of units affordable to Very Low and Low Income households. Condominium units will provide homeownership opportunities for some smaller, Moderate Income households though ownership assistance will still be necessary to provide many of the City's Moderate Income households the option of home purchase.

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(a) The ultimate buildout potential in the City is approximately 10,000 additional dwelling units, reflecting the approximate 2,500 units constrained from development over the next five years.



TABLE 3  
CITY OF HUNTINGTON BEACH  
POTENTIAL RESIDENTIAL DEVELOPMENT SUMMARY

| RESIDENTIAL DWELLING UNIT POTENTIAL |             |                     |              |                     |                      |              |        |
|-------------------------------------|-------------|---------------------|--------------|---------------------|----------------------|--------------|--------|
| Land Use Category                   | Vacant Land | Under-utilized Land | Second Units | Redevelopment Areas | Non-Residential Land | Surplus Land | TOTALS |
| Residential Estate                  | 605         |                     |              |                     |                      | 14           | 619    |
| Residential Low Density             | 605         | 235                 | 25           |                     |                      | 232          | 1,097  |
| Residential Medium Density          | 1,169       |                     |              |                     | 600                  |              | 1,769  |
| Residential Medium-High Density     | 439         |                     |              | 103                 |                      |              | 542    |
| Residential High Density            | 1,813       |                     |              | 801                 |                      | 520          | 3,134  |
| Planned Community                   | 366         |                     |              |                     |                      |              | 366    |
| TOTALS                              | 4,997       | 235                 | 25           | 904                 | 600                  | 766          | 7,527  |



### 3.0 HOUSING PLAN

#### 3.1 Evaluation of Accomplishments Under 1984 Housing Element

State Housing Element law now requires communities to assess the achievements under adopted housing programs as part of the five year update to their Housing Elements. These results should be quantified where possible, e.g. rehabilitation results, but may be qualitative where necessary, e.g. mitigation of governmental constraints. These results then need to be compared with what was projected or planned in the earlier element. Where significant shortfalls exist between what was planned and what was actually achieved, the reasons for such differences must be discussed.

The following section provides an overview of the specific program goals from the Huntington Beach 1984 Housing Element, and an assessment of the actual accomplishments under these programs during the 1984-1989 period of the Housing Element. These programs are organized around the five major issue areas addressed in the Housing Element.

#### ISSUE #1- ACCESSIBILITY

**Program:** Aid in the production of 164 senior citizen units in the Talbert-Beach redevelopment area through land acquisition and write-down.

**Accomplishment:** In 1985, the Huntington Beach Redevelopment Agency, in partnership with a private developer, completed Emerald Cove senior housing project. The project consists of 164 apartment units at 50 percent below market rental rates. This project received a National Certificate of Merit from the U.S. Department of Housing and Urban Development for public/private partnerships.

**Program:** Develop City standards to implement new State and Federal laws for handicapped accessibility in new developments.

**Accomplishment:** The City has adopted the State Uniform Building and Housing Codes which incorporate State requirements for handicapped accessibility.

**Program:** Provide \$1500 grants to owners of rental housing to make units accessible to the physically handicapped (refer to page 3-40 for program details).

**Accomplishment:** Only four grants were issued during the 1984-1989 period. More creative and intense marketing appears to be needed to increase participation.



## **ISSUE #2 - ADEQUATE PROVISION**

**Program:** Provide tax-exempt single-family and multi-family mortgage revenue bonds to facilitate the development of affordable units.

**Accomplishments:** On a City-wide basis, the City issued single-family mortgage revenue bonds in the amount of \$4,660,000 in 1984 to finance 55 moderate income home purchases. In addition, six multi-family projects, with a total of 402 units affordable to lower income households have been completed.

**Program:** Consider the reduction or waiver of development fees for projects participating in an affordable housing program.

**Accomplishments:** The City has assumed development fees on one Redevelopment Agency sponsored project for the provision of affordable housing.

**Program:** Continue to contract with the Orange County Housing Authority to provide Section 8 rent subsidies to lower income households.

**Accomplishments:** According to the Housing Authority, Huntington Beach has been one of the more aggressive communities in the region pursuing needed rental subsidies. As of March 1989, the City had secured a total of 577 housing vouchers and certificates. Huntington Beach is the only city in Orange County that participates in Project Self-Sufficiency, a program which offers housing vouchers to low-income single parents who are either currently homeless, or at risk of becoming homeless.

**Program:** Review development standards to determine which ones can be relaxed in order to reduce housing costs, and process appropriate code revisions.

**Accomplishments:** Code revisions have been adopted which institute senior development standards with reduced minimum unit sizes and reduced parking requirements.

**Program:** Revise the multi-family zoning ordinance to reduce required recreation space and common open space in smaller projects.

**Accomplishment:** As the City wishes to maintain a minimum level of recreational and open space amenities in all multi-family projects, this program is no longer being pursued. Code revisions have been adopted for senior housing developments to allow greater flexibility in the location of required open space.

## **ISSUE #3 - ADEQUATE SITES**

**Program:** Review Division 9 of the City Municipal Code to ensure it reflects Housing Element policies and programs.

**Accomplishments:** The City is beginning a comprehensive rewrite to Division 9 of the Municipal Code; appropriate revisions and housing-related ordinances will be incorporated into the Code at this time to reflect Housing Element policies and programs.

**Program:** Investigate the feasibility of using vacated school and park sites and other publicly owned land for affordable housing.

**Accomplishment:** Irby Park is being reviewed as a potential site for affordable housing through the 20% set-aside program. In addition, the City is working with a private developer to construct a housing project on a closed school site, a portion of the units which would be set aside for low and moderate income households.

**Program:** Evaluate land use and zoning designations to determine where increased densities can be utilized to provide for affordable housing.

**Accomplishment:** The City reviews on an on-going basis the potential for density increases for affordable housing projects on vacant and infill sites as they are presented to the City by developers.

#### **ISSUE #4 - PRESERVING HOUSING AND NEIGHBORHOODS**

**Program:** Continue to make available low interest rehabilitation loans for low-income owner-occupied housing, with a program goal of 25 loans annually.

**Accomplishment:** Approximately 226 owner-occupied rehabilitation loans have been made since 1984, primarily concentrated in the City's designated target areas: Oakview, Commodore Circle, South Shores, Liberty and Downtown/Oldtown.

**Program:** Enhance and preserve the multi-family housing stock within the Oakview neighborhood.

**Accomplishment:** Thirty loans were made since adoption of the 1984 Housing Element in the Oakview neighborhood, for a total rehabilitation of 120 units.

**Program:** Provide low interest rehabilitation loans to investor-owners of multi-family rental housing in targeted revitalization areas, with the goal of rehabilitating 35 units per year.

**Accomplishment:** This goal has been met and exceeded with an average of 50 units rehabilitated per year within the designated target areas.

**Program:** Develop and implement a comprehensive improvement program for Commodore Circle, with the goal of rehabilitating 80 units and initiating occupancy and maintenance standards.

**Accomplishment:** This program has been completed since adoption of the 1984 Housing Element. All substandard units have been rehabilitated, public improvements have been completed, and all owners have executed a maintenance agreement with the City.

**Program:** Develop and implement a City-wide maintenance ordinance.

**Accomplishment:** The City has recently expanded its code enforcement program to encompass property maintenance violations, and has increased the number of code enforcement officers to four to more adequately address code complaints.

## **ISSUE #5 - PRESERVING AFFORDABILITY**

**Program:** Oversee the continued affordability of low and moderate income units produced with tax exempt financing.

**Accomplishment:** The City has hired a consultant to develop a monitoring program to ensure the continued affordability of low and moderate density bonus units for which public subsidy has been provided. Once in place, bi-annual monitoring will be conducted to verify the income of the tenant, and to verify the continued affordability of the unit.

**Program:** Prepare a condominium conversion ordinance to regulate the conversion of rental housing to ownership units in order to mitigate impacts on affordable rental housing.

**Accomplishment:** The City adopted its condominium conversion ordinance in November 1984 which requires converted units to conform to the requirements of the City's Planned Unit Development (PUD) Ordinance. Since most existing multi-family housing units have been developed to standards that generally require substantially less open space and parking than that required under the PUD Ordinance, these requirements serve as a significant disincentive for condominium conversion.

**Program:** Continue to pursue the production of affordable housing.

**Accomplishments:** The City has participated in numerous affordable housing developments since adoption of its 1984 Housing Element. They have utilized a combination of City incentives, such as density bonus and bond financing, combined with outside funding sources to achieve a total of 391 affordable units. Specific publicly-assisted residential projects with an affordable housing component developed since adoption of the 1984 Housing Element include the following:



**TABLE 4**  
**AFFORDABLE HOUSING DEVELOPMENTS**  
**CITY OF HUNTINGTON BEACH: 1984-1989**

| NAME                            | LOCATION              | UNITS<br>TOTAL/LOW MOD |
|---------------------------------|-----------------------|------------------------|
| Brisas Del Mar                  | 409 Utica             | 44/8                   |
| Corona                          | 7916 Stark            | 8/1                    |
|                                 | 7924 Stark            | 8/1                    |
|                                 | 7891 Holt             | 8/1                    |
|                                 | 7901 Holt             | 8/1                    |
| Emerald Cove<br>(seniors)       | Talbert & Jolly Lane  | 164/164                |
| Gustine                         | Yorktown & Huntington | 21/4                   |
| Harbor Gateway                  | Warner & Sims         | 102/31                 |
| Hartfelter                      | Newland & Slater      | 8/1                    |
| Huntington Bayshore             | Lake & Atlanta        | 159/34                 |
| Huntington Village<br>(seniors) | 16171 Springdale      | 114/27                 |
| Ratsui                          | 5081 Dunbar           | 6/1                    |
| Rivermeadows                    | Magnolia and Warner   | 152/31                 |
| Seabridge Villas                | Beach and Adams       | 344/69                 |
| Stellrecht                      | 16032 Springdale      | 61/12                  |
| Villa Corsica                   | 19th & Walnut         | 18/4                   |
| Waldman                         | 17230 Elm             | <u>7/1</u>             |
| TOTAL                           |                       | 1,232/391              |

**Program:** Create and maintain an inventory of sites potentially suitable for affordable housing and refer these to private developers.

**Accomplishments:** The City's Economic Development Department has developed an inventory of potential sites for affordable housing, including vacant lands, park and school sites. In addition, the Planning Department conducted a comprehensive vacant lands inventory in April 1988 which can be utilized to identify additional sites for affordable housing.

## 3.2 Goals, Policies, and Program Actions

### Background

The City of Huntington Beach adopted a series of goals and policies as part of its 1984 Housing Element to guide the development and implementation of its housing program. As part of the current Housing Element update, these adopted goals and policies have been evaluated in terms of their effectiveness and actual results in implementation. In addition, the adopted goals and policies were reviewed as to their appropriateness in addressing the housing needs identified in this Housing Element update.

The following goals and policies reflect a revision to those previously adopted to incorporate what has been learned from the prior element, and to adequately address the community's identified housing needs. These goals and policies will serve as a guide to City officials in daily decision making.

### Housing Program

The City of Huntington Beach has adopted three goals for its housing program which are consistent with State and Regional housing policies. These goals are:

1. The attainment of decent housing within a satisfying living environment for households of all socioeconomic, racial, and ethnic groups in Huntington Beach.
2. The provision of a variety of housing opportunities by type, tenure, and cost for households of all sizes throughout the City.
3. The development of a balanced residential environment with access to employment opportunities, community facilities, and adequate services.

In order to progress toward the attainment of these goals, the City has committed itself to specific policies and programs. The policies are organized around five issue areas which are identified by the California Department of Housing and Community Development as important priorities in addressing local housing problems. This section presents a discussion of the problems inherent in each of the issue areas, followed by policies adopted by the City to resolve these problems. The program actions intended to effect their solution then are discussed, including anticipated impacts, responsible agencies, funding source, and the time frame for completion of each program. In aggregate, the Element's program actions set forth the following five year housing goals, as detailed in Table 5:

|                                  |                                    |
|----------------------------------|------------------------------------|
| Total Units to be Constructed:   | 7,527 total units/675-750 assisted |
| Total Units to be Rehabilitated: | 680                                |
| Total Units to be Conserved:     | 965 - 1,015                        |

A comprehensive discussion of the existing and proposed programs of the Housing Element is contained in Section 3.6.

TABLE 5  
HOUSING ELEMENT PROGRAM SUMMARY

|                            | <u>Program Action</u> | <u>Number of Units<br/>to be Assisted</u> |
|----------------------------|-----------------------|---|
| <u>New Construction:</u>   | 1.2                   | 200                                       |
|                            | 2.2                   | 50-100                                    |
|                            | 2.9                   | 300                                       |
|                            | 2.13                  | <u>125-150</u>                            |
| Total                      |                       | 675-750                                   |
| <br><u>Rehabilitation:</u> | 1.5                   | 10  |
|                            | 1.6                   | 10  |
|                            | 4.2                   | 400                                       |
|                            | 4.3                   | 100                                       |
|                            | 4.4                   | 80  |
|                            | 4.6                   | <u>80</u>                                 |
| Total                      |                       | 680                                       |
| <br><u>Conservation:</u>   | 2.5                   | 815                                       |
|                            | 2.12                  | <u>150-200</u>                            |
| - Total                    |                       | 965-1,015                                 |





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## GOAL 1.0 ACCESSIBILITY

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Providing housing opportunities for all households regardless of race, color, religion, sex, family size, marital status, national origin, ancestry, age or physical disability is an essential element of a sound housing program. In order to assure non-discrimination in housing, the City contracts with the Orange County Fair Housing Council which investigates complaints of discrimination because of race, ethnicity, marital status, or sex. The Fair Housing Council also handles problems with evictions, rent increases, substandard housing conditions, and disputes regarding deposit returns, as well as arbitrating landlord-tenant conflicts.

One problem needing attention is that of handicapped and elderly persons whose access to decent housing may be prevented by architectural barriers. Policies and actions addressing these special needs have been included under accessibility because it is felt that the lack of assistance to these groups may constitute a subtle, if unintended, form of housing discrimination.

### 1.0 Policies

In order to assure accessibility to decent housing for all, the City of Huntington Beach shall:

- ° Affirm a positive action posture to assure that unrestricted access is available to the community.
- ° Promote housing which meets the special needs of handicapped and elderly persons.
- ° Encourage the provision of adequate numbers of housing units to meet the needs of families of all sizes.

### 1.0 Programs

- 1.1 Action: Continue to utilize the services of the Orange County Fair Housing Council.

Anticipated Impact: All complaints of discriminatory practices in housing within the city will receive attention. In addition, OCFHC will provide counseling in landlord-tenant disputes, special assistance for ethnic minority and female-headed households (which includes escort services to locate adequate housing), bilingual housing literature and video-tape presentations, day-care services, and housing assistance counseling.

Responsible Agencies: Huntington Beach Economic Development Department (EDD).

Funding Source: CDBG funds.

Schedule: Ongoing.

- 1.2 Action: The City will continue to make available Redevelopment Agency-owned property within the Talbert-Beach redevelopment area for the construction of senior citizen and/or low and moderate income housing. Provide for reduced development standards through use of the City's Senior Residential Suffix zoning.

Anticipated Impact: Aid in production of up to 200 units for senior citizen and affordable housing.

Responsible Agencies: Huntington Beach EDD/Redevelopment Agency.

Funding Source: Redevelopment Set-Aside Fund.

Schedule: Based on final acquisition of parcels.

- 1.3 Action: Implement state and federal laws for access and adaptability for the physically handicapped. Continually adopt updates to the State Uniform Building and Housing Codes to reflect current accessibility requirements.

Anticipated Impact: More locational choice for the physically handicapped due to an increase in the supply of suitable rental units.

Responsible Agencies: Huntington Beach EDD and Community Development Department (CDD).

Funding Source: None necessary.

Schedule: Ongoing.

- 1.4 Action: Continue to coordinate with and financially support the Dayle MacIntosh Center to maintain a directory of accessible housing for handicapped persons.

Anticipated Impact: Assistance to handicapped persons in locating housing.

Responsible Agencies: Huntington Beach EDD and the Dayle MacIntosh Center.

Funding Source: CDBG funding.

Schedule: Ongoing.



- 1.5 Action: Actively market grants, through preparation and distribution of information packets, which are available to owners of rental housing for modifications necessary to make units accessible to and suitable for the physically disabled.

Anticipated Impact: The provision of an increased number of rental units suitable for physically disabled persons. The five year goal is for modification assistance to ten renter units.

Responsible Agencies: Huntington Beach EDD and the Dayle MacIntosh Center.

Funding Source: CDBG funds.

Schedule: 1990-91.

- 1.6 Action: As part of the ongoing rehabilitation program, fund rehabilitation loans which include improvements to make housing accessible to handicapped persons within designated neighborhoods.

Anticipated Impact: An increased amount of locational choice for the physically disabled. The five year goal is for modification assistance to ten owner units.

Responsible Agencies: Huntington Beach EDD.

Funding Source: CDBG funds, Redevelopment Set-Aside.

Schedule: Ongoing.



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## GOAL 2.0 ADEQUATE PROVISION

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Adequate provision for the housing needs of all economic segments of the community is an issue of the highest priority in Huntington Beach. For reasons previously discussed, it appears unlikely that market forces alone will produce enough housing that is affordable to low and moderate income households to meet expected needs. Since decent housing for all is important to the welfare of the entire city, it is particularly important to address this need through the use of those public powers which impact housing.

### 2.0 Policies

To ensure adequate provision of housing for all economic segments of the community, the City of Huntington Beach shall:

- ° Encourage the provision and continued availability of a range of housing types throughout the community, with variety in the number of rooms and level of amenities.
- ° Encourage both the private and public sectors to produce or assist in the production of housing with particular emphasis on housing affordable to lower income households, as well as the needs of the handicapped, the elderly, large families and female-headed households.
- ° Utilize incentives where feasible to encourage the production of low and moderate income housing. Provide rental assistance vouchers, as available, for some or all of the affordable units provided.
- ° Take advantage of existing infrastructure and public improvements to provide additional affordable housing by allowing second units in single-family zoning districts.
- ° Facilitate the development of mixed-use projects containing residential and non-residential uses which can take advantage of shared land costs to reduce the costs of land for residential uses through General Plan designation and the Specific Plan process.
- ° Encourage alternative forms of homeownership, such as shared equity ownership, Shared Living Units, and other housing arrangements to encourage affordability. Explore the feasibility of implementing a mortgage credit certificate program (refer to Section 3.6 beginning on page 3-36 for program descriptions).
- ° Encourage the development of childcare facilities coincident with new housing development through conditions on project approval at the CUP or EIR level, and review the City's Zoning Ordinance to identify any unnecessary restrictions related to the provision of family day care and childcare facilities in residential zones.



- ° Promote adoption of development standards which reduce housing costs, while ensuring that any adverse impacts are minimized when increasing densities or relaxing standards.
- ° Review all regulations, ordinances, departmental processing procedures, and residential fees related to rehabilitation and/or construction to assess their impact on housing costs, and revise as appropriate.
- ° Provide the management and personnel resources necessary to carry out identified housing programs and responsibilities.
- ° Continue and expand utilization of Federal and State housing assistance programs.
- ° Promote the availability of sufficient rental housing to afford maximum choice of housing type for all economic segments of the community.
- ° Review the City's condominium conversion ordinance, and consider revising to allow modified requirements for units which are set aside for low and moderate income households.
- ° Encourage the retention of adequate numbers of mobile homes and investigate areas for potential new mobile home zoning.
- ° Continue to enforce the City's mobile home conversion ordinance.
- ° Continue to coordinate with local social service providers and notify of available City funding to address the needs of the City's homeless population.
- ° Encourage the provision of alternative housing through replacement housing and/or relocation for low or moderate income households displaced by public or private developments.
- ° Investigate the development of single room occupancy (SRO) hotels to provide housing opportunities for very low income residents.

## 2.0 Programs

- 2.1 Action: Apply to the State Mortgage Bond Allocation Committee for single-family bond allocations to enable below market rate financing to be offered on qualifying projects to moderate income households.

Anticipated Impact: Make a greater share of housing stock affordable to first-time buyers.

Responsible Agencies: Huntington Beach EDD.

Funding Source: Bond proceeds.

Schedule: Ongoing.

- 2.2 Action: Continue to offer incentives, including density bonus, land write downs, and write downs of other development costs, to for-profit and non-profit developers, for the development of senior citizen and low/moderate housing.

Anticipated Impact: Development of between 50 to 100 additional affordable units during the 1989-1994 period.

Responsible Agencies: Huntington Beach CDD.

Funding Source: Department budget.

Schedule: Ongoing.

- 2.3 Action: Provide consultation and technical assistance to aid private developers in expanding housing opportunities.

Anticipated Impact: Increased housing choice and more affordable housing.

Responsible Agencies: Huntington Beach CDD and EDD.

Funding Source: Department administrative budgets.

Schedule: Ongoing.

- 2.4 Action: Continue the City's outreach campaign to solicit participation of private developers in affordable housing programs; maintain a roster of interested firms.

Anticipated Impact: The production of affordable housing.

Responsible Agencies: Huntington Beach EDD.

Funding Source: Huntington Beach EDD Administrative Budget.

Schedule: Ongoing.

- 2.5 Action: Continue to contract with the Orange County Housing Authority to administer the Section 8 Housing Assistance/Voucher Program and aggressively pursue the attainment of additional housing vouchers.

Anticipated Impact: Consistent with the City's Housing Assistance Plan, augment the current level of rental assistance (577 certificates/vouchers), with a five year assistance goal of 238 additional rent subsidies.

Responsible Agencies: Huntington Beach EDD and the Orange County Housing Authority.

Funding Source: Huntington Beach EDD Administrative funds/OCHA, potential use of Redevelopment Set-Aside to augment rental subsidies.

Schedule: Ongoing.

- 2.6 Action: Continue to contract with the Orange County Housing Authority to screen and verify incomes of potential participants in housing programs.

Anticipated Impact: Ensure that recipients of affordable housing are qualified for such housing.

Responsible Agencies: Huntington EDD/OCHA.

Funding Source: Huntington Beach EDD Budget.

Schedule: Ongoing.

- 2.7 Action: Review development standards, such as minimum size, open space, parking, to determine which ones can be relaxed in order to reduce housing cost; process appropriate code revisions as part of the zoning ordinance update.

Anticipated Impact: Reduction in the cost of housing.

Responsible Agencies: Huntington Beach CDD.

Funding Source: Department Budget.

Schedule: 1989-90.

- 2.8 Action: Evaluate the feasibility of developing a specific procedure for fast track processing projects with an affordable housing component.

Anticipated Impact: Reduction in holding costs for affordable housing projects, thereby improving the economic feasibility of such projects.

Responsible Agencies: Huntington Beach CDD.

Funding Source: Department Budgets.

Schedule: 1989-90.

- 2.9 Action: Continue to provide tax exempt mortgage financing for new multi-family housing.



Anticipated Impact: Increased supply of rental housing stock affordable to lower income households. Based on previous levels of developer participation, the City's goal is to provide mortgage financing for three projects (estimated 300 units) over the next five years.

Responsible Agencies: Huntington Beach EDD/Redevelopment Agency.

Funding Source: Tax exempt financing.

Schedule: Ongoing as projects meet criteria.

- 2.10 Action: Continue to operate Project Self-Sufficiency to address the needs of low income, single parents by offering rental assistance, job training, and other needed services.

Anticipated Impact: Curtail additional single parent households from becoming homeless.

Responsible Agencies: Huntington Beach EDD.

Funding Sources: CDBG funds and private donations.

Schedule: Ongoing.

- 2.11 Action: Continue to offer financial assistance to local groups which provide services to the area's homeless population. Provide public notification of the availability of funds through newspaper advertisements, as well as direct notification to local service providers.

Anticipated Impact: Address the needs of the City's homeless through provision of 15% of the City's CDBG budget for social services.

Responsible Agencies: Huntington Beach EDD.

Funding Source: CDBG funds.

Schedule: Ongoing.

- 2.12 Action: Actively market the City's shared housing program to increase the number of roommate matches made between senior and non-senior citizens. Utilize the City's Public Information Office to advertise the program through such methods as Public Television and placement of brochures in local community centers. Investigate developing a pilot project to match residents of varying age categories which links up with Project Self-Sufficiency.

Anticipated Impact: Provide expanded opportunities for individuals to remain in their homes, while providing affordable housing options for those who do not own a home. Goal is to provide for 30-40 roommate matches per year.

Responsible Agencies: Community Services Department, Huntington Beach EDD.

Funding Source: Department Budgets.

Schedule: 1990.

- 2.13 Action: Develop and implement a shared equity program to provide down payment assistance to qualifying low and moderate income first time homebuyers and explore the feasibility of implementing a mortgage credit certificate program.

Anticipated Impact: Provide homeownership opportunities for 25-30 low and moderate income first time homebuyers annually.

Responsible Agencies: Huntington Beach EDD.

Funding Source: Redevelopment Set-Aside.

Schedule: Establish program within one year.

- 2.14 Action: Continue to provide for the housing needs of large families through the provision of a) rent certificates for larger units to accommodate overcrowded households as part of the Rental Rehab Program, and b) single-family rehabilitation loans for room additions to alleviate unit overcrowding.

Anticipated Impact: Provide adequately sized affordable housing which meets the needs of the City's large families.

Responsible Agencies: Huntington Beach EDD and Orange County Housing Authority.

Funding Source: CDBG funds and Section 8 certificates/vouchers.

Schedule: Ongoing.

- 2.15 Action: Review the City's Zoning Ordinance to identify any unnecessary restrictions related to the provision of family day care and childcare facilities in residential zones.

Anticipated Impact: Enhanced opportunities for day care, providing needed services to female-headed and family households.

Responsible Agencies: Huntington Beach CDD.

Funding Source: Department Budgets.

Schedule: 1989-90.

- 2.16 Action: Investigate the use of specific plans to promote a balance of housing and open space, and to reduce the per unit cost of housing through such methods as clustered housing, zero lot line on smaller lots, flexible setbacks, reduced parking standards and lot sizes.

Anticipated Impact: Reduced housing development costs and associated decreases in sales/rental prices.

Responsible Agencies: Huntington Beach CDD.

Funding Source: Department Budgets.

Schedule: 1989-90.

- 2.17 Action: Investigate the feasibility and a possible ordinance to permit Single Room Occupancy (SRO) hotels as a mechanism for providing affordable housing.

Anticipated Impact: Facilitate the development of SROs.

Responsible Agency: Huntington Beach CDD.

Funding Source: Department Budgets.

Schedule: Complete study and prepare a report within one year.

- 2.18 Action: Encourage developers to pursue "gap" financing from the Orange County Housing Authority for residential projects offering affordable units.

Anticipated Impact: Increase the supply of affordable housing by offering financial assistance to project developers.

Responsible Agency: Huntington Beach EDD.

Funding Source: Orange County Housing Authority.

Schedule: Ongoing.





- ° Utilize surplus park and/or school sites for residential use where appropriate and consistent with the City's General Plan.
- ° Permit the development of manufactured housing in single-family zones, and accommodate the development of mobilehome parks through the City's Manufactured Housing Overlay Zone.

### 3.0 Programs

- 3.1 Action: Maintain an inventory of vacant land in the City and make available to interested parties for use in identifying potential residential development sites.

Anticipated Impact: Provide information which may expedite identification of residential development opportunities in the City. This may in turn expedite the consolidation of fragmented ownerships and the development of housing.

Responsible Agencies: Huntington Beach CDD.

Funding Source: Department Budgets.

Schedule: Ongoing.

- 3.2 Action: Review Division 9 of the City Municipal Code to ensure it reflects Housing Element policies and programs while maintaining adequate standards for development.

Anticipated Impact: Ensure consistency in carrying out the housing program while maintaining quality development.

Responsible Agencies: Huntington Beach CDD.

Funding Source: Department budget.

Schedule: 1989-90.

- 3.3 Action: Monitor changes in industrial and commercial land uses to assess their impact on residential land use.

Anticipated Impact: This action is intended to reflect changing conditions in the city in order to adequately respond to current housing needs.

Responsible Agencies: Huntington Beach CDD.

Funding Source: Department budget.

Schedule: Ongoing.

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## GOAL 3.0 STANDARDS AND PLANS FOR ADEQUATE SITES

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A key element in satisfying the housing needs of all segments of the community is the provision of adequate sites for housing of all types, sizes, and prices. This is an important function of both zoning and General Plan land use designations. Since the City is already developed to a large extent, provision for future housing needs may require the rezoning of some areas where appropriate to meet housing needs and where economically feasible in terms of City facilities and services. An assessment of the adequacy of sites must include the collective capacity of sites community-wide as well as the suitability of individual sites for non-market rate housing.

### 3.0 Policies

To assure the adequate provision of sites for housing, the City of Huntington Beach shall:

- ° Utilize the following general criteria for identifying and evaluating potential sites for low and moderate cost housing and sites for the elderly and/or handicapped. While compliance with the following criteria is preferable, no site shall be dismissed for failure to meet this criteria and shall be judged on its own merit. Sites should be:
  - located with convenient access to arterial highways and public transportation, schools, parks and recreational facilities, shopping areas, employment opportunities.
  - adequately served by public facilities, services, and utilities.
  - minimally impacted by seismic and flood hazards. Where such hazards cannot be avoided, adequate mitigation measures shall be incorporated into the design of all proposed development.
  - minimally impacted by noise and blighted conditions.
  - compatible with surrounding existing and planned land uses.
  - located outside areas of predominantly lower income concentrations.
- ° Plan for residential land uses which accommodate anticipated growth from new employment opportunities.
- ° Locate residential uses in proximity to commercial and industrial areas and transportation routes to provide convenient access to employment centers.
- ° Promote the rezoning of vacant or recyclable parcels of land to higher densities where compatible with surrounding land uses and available services in order to lower the cost of housing.



- 3.4 Action: Work with the four school districts in Huntington Beach to provide residential development opportunities on surplus school sites.

Anticipated Impact: Increase in the availability of sites for residential development. The City is committed to providing residential development on surplus school sites to enable it to meet its regional housing needs, and will work towards the creation of 776 additional dwelling units over the five year period.

Responsible Agencies: Huntington Beach CDD and Department of Public Works.

Funding Source: Department budgets.

Schedule: Ongoing.

- 3.5 Action: Investigate General Plan land use and zoning designations to determine where increased densities can be utilized to provide for rental units for households of lower and moderate incomes.

Anticipated Impact: Increase in the number of suitable sites for development of affordable housing.

Responsible Agencies: Huntington Beach CDD.

Funding Source: Department budget.

Schedule: Ongoing.

- 3.6 Action: As part of the update of Division 9 of the City Municipal Code, identify appropriate zones for the location of transitional housing and emergency shelters for the homeless.

Anticipated Impact: Provide adequate sites for the development or rehabilitation of housing for the homeless.

Responsible Agencies: Huntington Beach CDD.

Funding Source: Department Budget.

Schedule: 1989-90.

- 3.7 Action: Continue to work with property owners in the Holly-Seacliff Master Plan area to address various land use issues, including the redesignation of non-residential lands to residential uses, subject to the procedures required under State law.

Anticipated Impact: Increase in the available land inventory for residential construction, providing for an additional 1,000 - 1,700 residential dwellings.

Responsible Agencies: Huntington Beach CDD.

Funding Source: None necessary.

Schedule: 1990.

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## GOAL 4.0 PRESERVING HOUSING AND NEIGHBORHOODS

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The State of California has made housing preservation and conservation a high statewide priority. While most of the City's housing stock is less than 20 years old and in good condition, several neighborhoods contain significant levels of housing deterioration. These neighborhoods include the Washington, Oakview, Liberty, Commodore, South Shores, Oldtown and Townlot communities. Through its Community and Neighborhood Enhancement Program, the City offers low interest rehabilitation loans as an incentive for unit upgrading.

### 4.0 Policies

In order to preserve housing and neighborhoods, the City of Huntington Beach shall:

- ° Encourage the maintenance and repair of existing owner-occupied and rental housing to prevent deterioration of housing in the city.
- ° Encourage the rehabilitation of substandard and deteriorating housing where feasible.
- ° Where possible, take action to promote the removal and replacement of those substandard units which cannot be rehabilitated.
- ° Provide and maintain an adequate level of community facilities and municipal services in all community areas.
- ° Improve and upgrade community facilities and services where necessary.
- ° Encourage compatible design to minimize the impact of intensified reuse of residential land on existing residential development.
- ° Encourage preservation of the existing low density residential character in established single-family neighborhoods.

### 4.0 Programs

- 4.1 Action: Review all changes in planned land uses to determine the cumulative impact on community facilities.

Anticipated Impact: The assurance of adequate levels of community facilities and services to all areas of the city.

Responsible Agencies: Huntington Beach CDD and Department of Public Works.

Funding Source: Department budgets.

Schedule: Ongoing.

- 4.2 Action: Continue to make available low interest rehabilitation loans for low-income owner-occupied housing.

Anticipated Impact: Rehabilitation of deteriorated housing in the City and preservation of existing single-family housing stock. The program goal is 80 units per year with a maximum loan of \$15,000 per unit.

Responsible Agencies: Huntington Beach EDD.

Funding Source: CDBG funds, Redevelopment Set-Aside.

Schedule: Ongoing.

- 4.3 Action: Continue to enhance and preserve the multi-family housing stock within the Oakview neighborhood.

Anticipated Impact: Rehabilitation of substandard four-plex units in the Oakview neighborhood, combined with rental assistance to assure affordability. The five year goal is for rehabilitation of 100 units.

Responsible Agencies: Huntington Beach EDD/Redevelopment Agency.

Funding Source: HUD Rental Rehabilitation Program; Section 8 housing vouchers.

Schedule: Ongoing.

- 4.4 Action: Within selected target areas, provide low interest rehabilitation loans to investor-owners of multi-family rental housing.

Anticipated Impact: Rehabilitation of deteriorating multi-family housing and the preservation and enhancement of rental housing stock occupied by low and moderate income households. Goal of 16 units per year.

Responsible Agencies: Huntington Beach EDD.

Funding Source: CDBG Loan Pool, new CDBG funds, and Redevelopment Set-Aside.

Schedule: Ongoing.

- 4.5 Action: Monitor housing conditions in neighborhoods considered marginal or at risk for deteriorated conditions in order to identify the need to expand existing rehabilitation programs.

Anticipated Impact: The prevention of deterioration in marginal neighborhoods.



Responsible Agencies: Huntington Beach EDD and CDD.

Funding Source: EDD Administrative funds.

Schedule: Ongoing.

- 4.6 Action: Continue to implement the comprehensive improvement plan for Commodore Circle.

Anticipated Impact: Rehabilitation of 80 units and initiation of occupancy and maintenance standards.

Responsible Agency: Huntington Beach EDD.

Funding Source: CDBG funds; Rental Rehabilitation.

Schedule: Rehabilitation and public improvements complete in 1989. Maintenance standards complete in 1990-1991.

- 4.7 Action: Continue to enforce the City's code enforcement program, including property maintenance inspections.

Anticipated Impact: Provide an enforcement tool to insure uniform maintenance consistent with the standard prevalent in the community.

Responsible Agency: Huntington Beach CDD.

Funding Source: Department Budget.

Schedule: Ongoing.

- 4.8 Action: Continue to actively enforce land use ordinances.

Anticipated Impacts: Improved maintenance throughout the City.

Responsible Agency: Huntington Beach CDD.

Funding Source: Department Budget.

Schedule: Ongoing.



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## GOAL 5.0 PRESERVING AFFORDABILITY

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An important aspect of making housing available to all economic segments of the community is ensuring that assisted housing remains affordable to the income groups for which it was intended or which presently occupy it. In the rental housing market, the priority of preserving affordability may conflict with that of preserving housing and neighborhoods, since rehabilitated units can command higher rents. This conflict necessitates a delicate balance.

### 5.0 Policies

In order to preserve affordability, the City of Huntington Beach shall:

- ° Promote and, where possible, require the continued affordability of all units produced with participation by the City or its authorized agents including density bonuses and tax exempt financing.
- ° Encourage the continued affordability of those units utilizing public funds for rehabilitation.
- ° Regulate the conversion of existing apartment units to condominiums to minimize the adverse impact of conversions on the supply of low and moderate income rental housing, keeping in mind that condominiums may offer affordable opportunities for home ownership.
- ° Mitigate the displacement impacts occurring as a result of residential demolition through unit replacement or relocation of tenants.
- ° Conserve affordable housing opportunities in the Coastal Zone through implementation of State requirements for replacement of low and moderate income housing, and for inclusion of affordable units where feasible in new residential construction.

### 5.0 Programs

- 5.1 Action: Develop an affordable housing monitoring program, including restrictive covenants for rental units and financing mechanisms, to ensure the long term conservation of affordable units for which City incentives have been provided.

Anticipated Impact: The retention of affordable units produced with public sector assistance/incentives.

Responsible Agencies: Huntington Beach EDD/Redevelopment Agency.

Funding Source: Department budgets.

Schedule: 1989.

- 5.2 Action: Develop a Multi-Family Unit Interest Rate Write-Down Program targeted towards publicly-subsidized housing projects with the potential for conversion to market rate.

Anticipated Impact: Conservation of existing stock of publicly-subsidized affordable housing.

Responsible Agencies: Huntington Beach EDD/Redevelopment Agency

Funding Source: Redevelopment Set-Aside.

Schedule: 1989-1990.

- 5.3 Action: Continue to enforce the City's condominium conversion ordinance, and evaluate revising the ordinance to allow modified requirements if a portion of the units are set aside for Low and Moderate Income households.

Anticipated Impact: Regulate the conversion of rental housing to ownership units in order to mitigate impacts on affordable rental housing.

Responsible Agencies: Huntington Beach CDD and the Office of the City Attorney.

Funding Source: Department budgets.

Schedule: Ongoing.

- 5.4 Action: Continue to pursue production of affordable housing, utilizing CDBG funds, Redevelopment Set-Aside funds and other available resources to meet the Redevelopment Agency's ongoing relocation/replacement of housing obligations.

Anticipated Impact: Increase the supply of affordable housing.

Responsible Agencies: Huntington Beach EDD/Redevelopment Agency.

Funding Source: CDBG funds; Redevelopment Agency funds and other resources as available.

Schedule: Ongoing.

- 5.5 Action: Establish contact with local community development corporations and other non-profit housing providers to encourage and facilitate the development of affordable housing in Huntington Beach.

Anticipated Impact: Increased housing opportunity for low and moderate income households.

Responsible Agency: Huntington Beach EDD.

Funding Source: None necessary.

Schedule: Within two years.



- 5.6 Action: Meet and consult with mobile home owners who are potential displacees from mobilehome parks which intend to convert to other uses.

Anticipated Impact: Assessment of impacts and preparation of strategies to address needs of displacees.

Responsible Agencies: Huntington Beach CDD and Redevelopment Agency.

Funding Source: Department Budgets.

Schedule: Ongoing.

- 5.7 Action: Provide financial assistance for relocation of persons displaced by redevelopment activities, including occupants of mobile homes.

Anticipated Impact: Mitigation of adverse impacts on displaced residents.

Responsible Agency: Huntington Beach EDD.

Funding Source: Redevelopment Tax Increment.

Schedule: Ongoing.

- 5.8 Action: Continue to monitor and assure replacement of low and moderate income housing which is demolished or converted in the Coastal Zone.

Anticipated Impact: Conservation of affordable housing in the coastal zone through replacement requirements.

Responsible Agency: Huntington Beach CDD.

Funding Source: Department Budgets.

Schedule: Within one year.



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## GOAL 6.0 ENERGY CONSERVATION

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Reducing expenditures for energy can result in effective reductions in housing expense, since the costs of utilities are part of overall housing costs. The City does, therefore, want to encourage more efficient use of energy to promote private benefits (less expensive utility bills) and public benefits (reduced reliance on imported fuel).

### 6.0 Policies

- ° Encourage the use of energy conservation devices and passive design concepts which make use of the natural climate to increase energy efficiency and reduce housing costs.
- ° Encourage unit retrofitting through public education, including attic insulation and weatherstripping, concurrent with improvements to the dwelling.
- ° Investigate the feasibility of the use of renewable energy sources (solar and geothermal) for hot water, space, and pool heating of larger housing developments.
- ° Encourage CC&Rs that protect solar access in new development.
- ° Continue to encourage alternative forms of transit such as buses, bicycles, and walking.

### 6.0 Programs

- 6.1 Action: As part of the update of Division 9 of the City Municipal Code, incorporate development standards which specify required energy conservation features for residential development and incorporate standards for the provision of space for the collection of recyclable materials in multi-family developments.

Anticipated Impact: Reduced energy consumption in residential projects.

Responsible Agency: Huntington Beach CDD.

Funding Source: Department Budgets.

Schedule: 1989-1990.

- 6.2 Action: Review the City's zoning and subdivision regulations, EIR and site plan review guidelines, and municipal landscaping policies and revise as appropriate to address the issue of solar access.

Anticipated Impact: Sustained energy conservation in existing and new development through the maintenance of solar access.

Responsible Agency: Huntington Beach CDD.

Funding Source: Department Budgets.

Schedule: 1989-1990.

- 6.3 Action: Continue to support and assist in publicizing energy conservation programs offered by the utilities.

Anticipated Impact: Improved residential energy efficiency and related reductions in housing costs for participating households.

Responsible Agency: Huntington Beach CDD.

Funding Source: Department Budgets.

Schedule: Ongoing.



### 3.3 Housing Assistance Plan

Housing Assistance Plans (HAPs) are required for jurisdictions in the Community Development Block Grant (CDBG) Program. The HAP details the programs and projects to be supported by the CDBG program as implemented through the Federal Department of Housing and Community Development (HUD) and approved by City Council. Housing assistance includes rehabilitation of substandard units and rental subsidies for lower income households, as well as several other housing programs.

The HAP identifies the rental subsidy needs of lower income households categorized into three major groups: elderly (including handicapped), small family (four or fewer persons), and large family as shown in Table 6.

TABLE 6  
CITY OF HUNTINGTON BEACH  
RENTAL SUBSIDY NEEDS OF LOWER INCOME HOUSEHOLDS: 1989-1991

| INCOME LEVEL       | ELDERLY | SMALL FAMILY | LARGE FAMILY | TOTAL |
|--------------------|---------|--------------|--------------|-------|
| Very Low           | 919     | 3,548        | 416          | 4,883 |
| Other Low          | 279     | 3,276        | 306          | 3,861 |
| Expected to Reside | 0       | 384          | 40           | 424   |
| To Be Displaced    | 28      | 50           | 5            | 37    |
| TOTAL              | 1,226   | 7,258        | 767          | 9,251 |

Source: City of Huntington Beach, Housing Assistance Plan, 1988-1991

A total of 9,251 lower income rental households are projected to need rental assistance during the 1988-1991 time period. Small family households are anticipated to comprise approximately 79 percent of those in need, with elderly households comprising 13 percent and large family households comprising 8 percent of the total household need.

Given this inventory of households in need, the HAP has set forth the following rental assistance goals for the three year period:

TABLE 7  
CITY OF HUNTINGTON BEACH  
LOWER INCOME HOUSEHOLDS TO RECEIVE RENTAL SUBSIDIES: 1988-1991

|                           | ELDERLY | SMALL FAMILY | LARGE FAMILY | TOTAL |
|---------------------------|---------|--------------|--------------|-------|
| Households to be Assisted | 142     | 625          | 67           | 834   |
| Percent                   | 17%     | 75%          | 8%           | 100%  |

Source: City of Huntington Beach Housing Assistance Plan, 1988-1991

The City has set as a goal the achievement of 9 percent of its rental assistance need for lower income households; HUD has identified 2-9 percent as a reasonable goal. Rental assistance will be provided to each of the three needs groups in proportion to their identified needs.

In terms of the improvement or rehabilitation of the physical housing stock, the HAP has identified the following goals:

**TABLE 8**  
**CITY OF HUNTINGTON BEACH**  
**UNITS TO BE ASSISTED FOR LOWER INCOME HOUSEHOLDS: 1988-1991**

| Type of Occupancy | Rehabilitation of<br>Substandard Units | New<br>Construction | Home<br>Improvements |
|-------------------|--|---------------------|----------------------|
| Owner             | 112                                    | 0                   | 0                    |
| Renter            | 196                                    | 250                 | 10                   |

Source: City of Huntington Beach Housing Assistance Plan, 1988-1991

The HAP identifies a series of federally-funded rental subsidy and rehabilitation programs which will be implemented to meet the identified housing assistance goals. These programs have been combined with other non-Federally funded programs to form the overall program strategy for the Housing Element, as presented in the program actions in Section 3.2, and further described in Section 3.6 - Description of Implementing Programs.

### 3.4 Regional Housing Needs Assessment

State law requires jurisdictions to provide for their share of regional housing needs. The Southern California Association of Governments (SCAG) has determined the 1989-1994 needs for the City of Huntington Beach, and has estimated the number of households which the City will be expected to accommodate during this period. Future housing needs reflect the number of new units needed in a jurisdiction based on households which are expected to reside within the jurisdiction (future demand), plus an adequate supply of vacant housing to assure mobility and new units to replace losses. These needs were forecast by the 1988 Regional Housing Needs Assessment (RHNA), which considered on a regional and local level: market demand for housing, employment opportunities, availability of suitable sites for public facilities, commuting patterns, type and tenure of housing need, and housing needs of farm workers.

According to the model, housing to accommodate 6,228 households would need to be added to the City's June 30, 1989 total households by July 1994 to fulfill the City's share of regional housing needs. Based on the distribution of regional income, this total can be further divided among HUD's four income groups to identify the types of households to be provided for as follows:

**TABLE 9**  
**CITY OF HUNTINGTON BEACH**  
**1989-1994 HOUSEHOLD NEEDS BY INCOME GROUP**

|   |               |
|---|---------------|
| Very Low (0-50% County median income)   | 984 (15.8%)   |
| Low (50-80% County median income)       | 1,264 (20.3%) |
| Moderate (80-120% County median income) | 1,370 (22.0%) |
| Upper (over 120% County median income)  | 2,610 (41.9%) |
| Total Households                        | 6,228         |

Source: SCAG Regional Housing Needs Assessment, June 1988, as revised.

The intent of the future needs allocations by income group is to relieve lower income impaction - the undue concentration of very low and low income households in a jurisdiction. Localities must fully address their existing needs in order for impaction avoidance goals to be achieved in the future period.

The Housing Element sets forth policies and programs to address the future housing needs identified by the RHNA. The City's Land Use Plan provides for a residential development capacity which is more than adequate to fulfill the City's share of regional housing needs. In addition, the Housing Element sets forth policies and programs to address the future housing needs of those income groups not provided for in the market, namely Very Low and Low, and to a lesser degree Moderate Income households.

### 3.5 Redevelopment Set-Aside Fund

#### Legislative Background

State Redevelopment Law provides the mechanism whereby cities and counties within the state can, through adoption of an ordinance, establish a redevelopment agency. The Agency's primary purpose is to provide the legal and financial mechanism necessary to address blighting conditions in the community through the formation of a redevelopment project area(s). Of the various means permitted under State Law for financing redevelopment implementation, the most useful of these provisions is tax increment financing. This technique allows the assessed property valuation within the redevelopment project area to be frozen at its current assessed level when the redevelopment plan is adopted. As the property in the project area is improved or resold, the tax increment revenue generated from valuation increases above the frozen value is redistributed to the redevelopment agency to finance Redevelopment Project costs.

In many early redevelopment projects, a major focus was upon demolition of blighted residential buildings and development of new non-residential uses or upper income residential projects. While these type of projects worked to eliminate blighting conditions, they did little or nothing to aid the mostly low and moderate income residents of the housing that was demolished, in addition to having a negative impact on the community's supply of affordable housing. To address the problems that arose with regard to the effect of redevelopment on low and moderate income housing, the state legislature enacted a series of changes to Community Redevelopment Law which require redevelopment agencies to undertake activities which will assist in the production of low and moderate income housing. The legislative requirements regarding low and moderate income housing generally fall into three basic categories: 1) expenditure of 20% of the tax increment revenue to increase and improve the supply of low and moderate income housing in a community; 2) requirements that redevelopment agencies replace low and moderate income housing which is destroyed as a result of a redevelopment project; and 3) requirements that a portion of all housing constructed in a redevelopment project area be affordable to low and moderate income persons and families. The requirement for redevelopment agencies to set aside 20% of a project's tax increment for low and moderate income housing can provide a significant source of funding for implementation of a community's housing programs.

#### Huntington Beach

Seven years ago, the Huntington Beach Redevelopment Agency began its efforts to reverse the economic decline of several of the City's most blighted neighborhoods. This campaign was first introduced in 1982 as the "Community and Neighborhood Enhancement Program," a concept which set in motion activities and plans to upgrade housing, stimulate investment, and improve circulation patterns in each of the four redevelopment project areas established that year: Main-Pier, Oakview, Talbert Beach, and



Yorktown-Lake. The progress of these project areas spurred the Redevelopment Agency to include its primary commercial center, Huntington Center, in its redevelopment plans in 1984. Through its redevelopment efforts, the City Council/Agency is responsible for 344 new units of affordable housing, including three senior housing projects. Significant housing rehabilitation improvements have also been achieved within the Community and Neighborhood Enhancement target areas.

While the Redevelopment Agency has made significant progress in attaining the goal of increasing the City's affordable housing stock, none of the 20% set-aside fund has yet been expended, primarily due to its low balance. However, with completion of a recent tax allocation bond sale, nearly \$3.7 million dollars is currently allocated to the 20% set-aside fund. In 1988 AB 4566 mandated that redevelopment agencies with "excess surplus"(a) monies in their housing set aside funds must either spend these funds within five years or else transfer them to another local housing authority for expenditure. State law sets forth a variety of options for localities to expend their housing funds, including the following:

- Land Disposition and Write-Downs
- Site Improvements
- Loans
- Issuance of Bonds
- Land and Building Acquisition by Agencies
- Direct Housing Construction
- Housing Rehabilitation Programs
- Rent Subsidies
- Predevelopment Funds
- Administrative Costs for Non-Profit Housing Corporations

A Housing Committee comprised of three City Council/Redevelopment Agency members and four citizen representatives was formed to develop the fiscal year 1989-90 20% Housing Set-Aside budget and implementation plan. The Plan identifies expenditure of redevelopment set-aside funds on the following programs:

1. Rehabilitation projects benefiting low and moderate income households where federal CDBG funds are found to be too restrictive.
2. Multi-Unit interest rate write-downs for existing federally assisted (Section 236) housing projects with the potential for conversion to market rate with expiration of the original loan. (The City also intends to explore the feasibility of having non-profit sponsors take over expiring projects with financing provided by tax-exempt multi-family revenue bonds.)

(a) "Excess surplus" is defined as any unexpended and unencumbered balance in an agency's Low and Moderate Income Housing Fund that exceeds the greater of five hundred thousand dollars or the aggregate amount deposited into the Fund pursuant to Community Redevelopment Law (Health and Safety Code Sections 33334.2 and 33334.6) during the agencies preceding five fiscal years.

3. First time buyer deferred payment loans for down payment assistance to qualifying low and moderate income households.
4. Private market leveraging of funds (development cost write-downs) to increase the number of affordable units provided in publicly assisted housing developments.
5. Mobile home assistance to low income mobile home owners to assist with a variety of eligible programs, perhaps including emergency repair grants.

Based on this first year budget for expenditure of the City's 20% set-aside fund, these programs have been incorporated into the Housing Element. In addition, based on direction provided from City redevelopment and housing staff, several additional Housing Element programs have identified the redevelopment set-aside fund as a potential source of program funding over the five year period of the Housing Element.

### **3.6 Description of Implementing Programs**

The Housing Element describes the housing needs of the City's current and projected population, as well as the specific needs resulting from the deterioration of older units, lack of affordable housing for lower income groups, and special needs for certain segments of the City's population. The goals and policies contained in the Housing Element address the City's identified housing needs. These goals and policies are implemented through a series of housing programs that are funded and administered through a variety of local, regional, State and Federal agencies. Section 3.2 of the Housing Element sets forth the program actions the City intends to implement over the five year period of the Element. The following section provides a more detailed description of these programs and references the program action(s) related to each housing program. In addition, in order to further expand affordable housing opportunities in Huntington Beach, several additional housing programs are described which are under study but have not yet been committed to by the City.

#### **3.6.1 Current Housing Programs and Recent Actions**

The City takes an active role in providing housing assistance through its Housing and Community Development programs. In addition, the City has taken a number of actions in the past to further the production of housing and to improve the City's housing stock. The City's current housing programs and recent actions related to housing are described in the following section.

##### **3.6.1.1 New Construction**

###### **Tax-Exempt Mortgage Program**

The City maintains an on-going program to provide tax-exempt mortgage financing for construction and permanent loans for multi-family housing. The City sells bonds to provide the financing for the program. The income from the bonds is tax-exempt which increases the effective net yield to the bond holder.

Federal law requires that 20 percent of the total units in a bond-financed project be reserved for lower income households. Recent State legislation requires that one half of the reserved units be set aside for Very Low Income households. (Program Action 2.1, 2.9)

###### **Density Bonus Incentives**

Pursuant to State law, if a developer allocates at least 20 percent of the units in a housing project to lower income households, 10 percent for very low income households, or at least 50 percent for "qualifying residents" (e.g. senior citizens), the City must either a) grant a density bonus of

25 percent, along with one additional regulatory concession to ensure that the housing development will be produced at a reduced cost, or b) provide other incentives of equivalent financial value based upon the land cost per dwelling unit. The density bonus mechanism has proved an effective tool for encouraging affordable housing, in the City with 136 affordable units in 13 projects completed under this program. In order to ensure the continued affordability of units provided under the program for a minimum of 30 years, the City will require that restrictive covenants be filed with the deed on all new density bonus projects and will bi-annually monitor the units.

As an incentive to increase the number of affordable units provided, the City may also offer to write down the development costs in exchange for the provision of additional affordable units. The number of additional units set aside is a proportionate percentage of the City's contribution to the overall construction costs for the project. Approximately \$780,000 in redevelopment set-aside funds have been allocated for fiscal year 1989-90 for "private market leveraging." (Program Action 2.2)

#### Land Assemblage and Write-Down

The City can utilize both CDBG and redevelopment set-aside monies to write down the cost of land for low and moderate income housing. The intent of this program is to reduce land costs to the point that it becomes economically feasible for a private (usually non-profit) developer to build units which are affordable to low and moderate income households. As part of the land write-down program, the City may also assist in acquiring and assembling property and in subsidizing on- and off-site improvement costs. (Program Actions 1.2, 2.2)

Talbert Beach Redevelopment Area: The City's Redevelopment Agency has assisted in the consolidation of previously inaccessible parcels in this 25-acre project area to facilitate residential and industrial development. The following residential projects have been constructed in this project area to date:

1. Emerald Cove - a 164 unit senior apartment project with 82 below market units. This project received a National Certificate of Merit from HUD for public/private partnerships.
2. Windward Cove - a 96-unit senior condominium complex with initial purchase prices well below market rates.
3. Capewood - a 54-unit condominium complex for families. The developer of these units participated in the single-family Mortgage Revenue Bond Program to provide below-market-rate homes to first-time homebuyers.

The Redevelopment Agency is currently working towards consolidating the two remaining parcels in the Talbert Beach project area to provide for the development of up to 200 additional residential units.



### Affordable Housing Monitoring

The City has hired a private consulting firm to develop an affordable housing monitoring program for Huntington Beach. The program will involve the filing of restrictive covenants on affordable units for which City incentives have been provided. In addition, bi-annual monitoring of the units will be conducted to verify the income of the tenant, along with the continued affordability of the unit. This monitoring program will help to ensure the long-term conservation of affordable units in Huntington Beach. (Program Action 5.1)

### Shared Equity Program

Equity sharing allows lower income households to purchase a home by sharing the costs of home ownership with a sponsor, such as a local housing authority. The sponsor and the buyer would together provide the downpayment and purchase costs to buy a house. When the house is sold, the equity earned through appreciation is split between the occupant and the sponsor according to an agreement made prior to purchase.

The City is in the process of developing a shared equity program in which a loan pool will be established using redevelopment set-aside monies for downpayment assistance to qualifying low and moderate income first-time homebuyers. A Deed of Trust and affordable housing covenant will be secured against the property to ensure the use to be owner-occupied and the loan to be paid back with a proportionate share of the equity at the time the property is sold or the title transferred. The covenant will designate the use for the longest feasible time, but not for less than ten years. One-million dollars of set-aside funding has been allocated to this program for fiscal year 1989-90. (Program Action 2.13)

#### **3.6.1.2 Assistance to Existing Units**

### Section 8 Rental Assistance Payments/Housing Vouchers

The Section 8 rental assistance program extends rental subsidies to low income families and elderly who spend more than 30 percent of their income on rent. The subsidy represents the difference between the excess of 30 percent of the monthly income and the actual rent. The voucher program is similar to the Section 8 Program, although participants receive housing "vouchers" rather than certificates. Vouchers permit tenants to locate their own housing. Unlike in the certificate program, participants are permitted to rent units beyond the federally determined fair market rent in an area provided the tenant pays the extra rent increment. The Reagan Administration proposed converting the certificate program to a voucher system, which will likely occur through time.

The City of Huntington Beach contracts with the Orange County Housing Authority to administer the Section 8 Certificate/Voucher Program.

According to the Housing Authority, Huntington Beach has been one of the more aggressive communities in the region in pursuing needed rental subsidies. As of March 1, 1989, Huntington Beach had secured a total allocation of 577 housing vouchers and certificates. Consistent with the City's Housing Assistance Plan, the City's five year assistance goal is for an additional 238 rent subsidies. However, it is impossible to know how many additional housing vouchers the City will actually receive from HUD. (Program Action 2.5)

### Community and Neighborhood Enhancement

The Community and Neighborhood Enhancement Program is a comprehensive program designed to promote and assist in the upgrading of declining residential neighborhoods within the City. This program is designed to meet individual needs, to be responsive to the social and economic circumstance which exists within each neighborhood, to have strong resident and property owner support, and to be limited to a few priority areas so that the full benefit of a concentrated effort might be realized by generating substantial physical and visual improvement within these areas. The areas within the Neighborhood Enhancement Program include the Oakview, Washington Street, Commodore Circle, South Shores, Liberty, Oldtown and Townlot Neighborhoods. Rehabilitation loans are provided through the City's Housing Rehabilitation Loan Program and Rental Rehabilitation Program, described in the following sections. There is a continuing effort to provide housing rehabilitation assistance, combined with needed public improvements, to promote the renovation of existing units within these neighborhoods with an estimated \$650,000 to be budgeted over the next fiscal year for this program. (Program Actions 4.2, 4.3, 4.4, 4.6)

### Housing Rehabilitation Loan Program

This program utilizes CDBG funding to provide low interest loans to owners of residential properties. Deferred Payment rehabilitation loans of up to \$10,000 are available to Very Low Income owner-occupied households. These loans are due and payable with 6% one-time only interest fee at the time of sale or transfer of ownership. The City also offers the following types of below market interest rate loans for residential rehabilitation: a)3% loans available to lower income households; b)6% loans available to median income households within identified Community and Neighborhood Enhancement target areas; and c)8% loans available to above-median income households within identified Community and Neighborhood Enhancement target areas for code compliance repairs only. The maximum loan amount for a below market interest rate loan is \$15,000.

The City of Huntington Beach has effectively marketed its Housing Rehabilitation Loan Program, with approximately 80 loans processed each year. This success is due in large part to the City's aggressive pursuit of housing rehabilitation as part of the Community and Neighborhood Enhancement Program. Rehabilitation loans are also offered to income-qualified property owners as part of the City's code enforcement activities. (Program Actions 4.2, 4.4, 4.6)

## Rental Rehabilitation Program

The Rental Rehab Program is a separately funded Federal program established to encourage the rehabilitation of substandard apartment buildings in targeted neighborhoods. Through this program, the City offers up to a 50% deferred loan to pay towards the total cost of a rehabilitation project, with the balance financed through a 6% interest rate loan. The maximum loan amount is \$40,000. To qualify for a Rental Rehab subsidy, more than 70% of the building's tenants must be of low or moderate income.

In order to address potential displacement impacts resulting from increased rents in rehabilitated units, the City has coupled the Rental Rehab Program with its rental assistance program. Existing Low Income tenants in rehabilitated buildings are offered Rent Vouchers to ensure their housing costs will not exceed 30% of their gross monthly income. (Program Action 4.3)

## Handicapped Grant Program

Handicapped households have special needs which include access ramps, wider doorways, assist bars in the bathrooms, lower cabinets, and special access sources to second stories. The City is working with the Dayle MacIntosh Center for the disabled of Orange County to encourage owners of rental units to make a share of such units available for accessibility modifications. The City utilizes CDBG funding to offer \$1,500 handicapped modification grants to multi-unit property owners to encourage modification to existing units to meet these special needs of the handicapped. The Housing Element recommends the City undertake more intensive marketing of this program to widen participation. (Program Action 1.5)

## Home Weatherization Improvements

As residential energy costs continue to rise, increasing utility costs reduce the affordability of housing, thus aggravating the City's current shortage of affordable units. Both the Southern California Gas Company and Southern California Edison offer a variety of energy conservation services designed to help low-income, senior citizens, permanently handicapped, and non-English speaking customers control their energy use. Homeowners or renters may qualify for the following types of weatherization improvements free of charge: attic insulation, weather stripping, caulking, water heater insulation blankets, water-saving showerheads, heating/cooling duct insulation, other types of limited home repairs which increase energy efficiency. (Program Action 6.3)

## Code Enforcement

One of the primary objectives of the City's code enforcement program is to bring substandard housing units into compliance with City codes. The code enforcement program is operated through the City's Community Development Department whose field inspectors respond to complaints related to substandard housing, property maintenance, overgrown vegetation, trash and



debris, inoperable vehicles, illegal conversions, improper occupancy, and other nuisance and zoning complaints. Upon inspection, if violations of code exist, a violation notice is issued to the responsible party. A reasonable period of time is given to bring the violation into compliance. Failure to comply will result in code compliance proceedings. Citations may be issued by code enforcement officers in cases where health and safety may be threatened.

Due to citizen complaints and community concerns regarding deterioration within the City, the code enforcement program has been expanded to provide three full time field inspectors and a fourth part-time inspector. This staffing level enables the Community Development Department to respond to the average monthly caseload of 125 code complaints within a reasonable response period. (Program Actions 4.5, 4.8, 4.9)

### Condominium Conversion Ordinance

The City of Huntington Beach has adopted a stringent Condo Conversion Ordinance that requires converted units to conform to the requirements of the City's Planned Unit Development (PUD) Ordinance. Since most existing multi-family housing units have been developed to standards that generally require substantially less open space and parking than that required under the PUD Ordinance, these requirements serve as a significant disincentive for condominium conversions. The identified action for this program indicates review and potential revision of the City's current Condominium Conversion Ordinance to allow modified requirements if a portion of the units are set aside for Low and Moderate Income households. (Program Action 5.3)

### Interest Rate Write-Downs for Existing Affordable Housing

A community's existing affordable housing stock is a valuable resource which should be conserved and, if necessary, improved to meet habitability standards. The City of Huntington Beach has several federally assisted (Section 236) housing projects with the potential for conversion to market rate with expiration of the original loan. In order to address this potential loss in affordable units, the City is in the process of developing a Multi-Family Unit Interest Rate Write-Down Program. This program will offer a lump sum write-down of an existing interest bearing note to reduce debt service on existing multi-family apartment complexes. In return, the property owner will execute with the City a recorded covenant requiring the continuance of affordable rental rates to low and moderate income households or a minimum of fifteen years. (Program Action 5.2)

A second approach which may be pursued to conserve existing affordable units would be for a non-profit sponsor to purchase Section 236 or other subsidized projects at the current market value with financing provided by tax-exempt multi-family revenue bonds issued by the City. The rating of these tax-exempt securities could be enhanced by pledge of the redevelopment housing set-aside funds, thus reducing the net interest cost of the mortgage loan.



### 3.6.1.3 Housing Services

#### Home Sharing

Many seniors who would prefer to live independently resort to institutionalized living arrangements because of security problems, loneliness, or an inability to live entirely independently. A City-funded shared housing program is currently offered at Roger's Senior Center in Huntington Beach. Roommate matches are made between seniors based on telephone requests. The Program's Administrator indicates requests for home sharing are sporadic--six to eight matches made for months in a row followed by months without any requests. The program action for home sharing indicates more active marketing should be undertaken to better advertise the program's availability to seniors in the community. In addition, the program action calls for investigating the development of a pilot project to match residents of varying age categories which links in with Project Self-Sufficiency. (Program Action 2.12)

#### Project Self-Sufficiency

In attempts to curtail additional persons and families from becoming homeless, the City's Economic Development Department runs "project Self-Sufficiency" (PSS). As its name suggests, the program aims to make persons independent of government subsidies and become self-sufficient. To meet this goal, PSS provides housing assistance in the form of Section 8 housing vouchers to low-income, single parents who are either currently homeless or at risk of becoming homeless. The program also matches the single parent with the appropriate agencies in the community to receive needed assistance such as food, clothing, childcare and job training. In order to qualify for the voucher program, persons must reside or work in Huntington Beach or come from a homeless shelter sponsored by the Huntington Beach Resource Board. When PSS is unable to provide services to those in need, the program refers these persons to other social services in the surrounding area. The program is currently funded primarily through CDBG grants and private sector donations. (Program Action 2.10)

#### Other Homeless Services

The City of Huntington Beach provides funding (\$43,000 in CDBG monies in 1988) to a variety of social service agencies which provide services to the area's homeless population; 15 percent of the City's CDBG budget is allocated towards social service providers. Services provided by these organizations include lodging, food, clothing, bus coupons, housing referrals and counseling. In addition, a new shelter targeted at assisting the City's numerous adolescent homeless is set to open later this year. The City has indicated it may provide supplementary operational funds to this shelter, the Huntington Beach Youth Shelter. As part of the current update to the City's Zoning Ordinance, appropriate zones will be identified for the development or rehabilitation of transitional housing and emergency shelters for the homeless. The City will provide public notification in the newspaper, as well as directly notify local service providers of the Zoning Ordinance update to solicit community input. (Program Actions 2.11, 3.6)

### **3.6.1.4 Removal of Governmental Constraints**

#### **Senior Residential Suffix Zoning**

The Senior Citizen Residential suffix was adopted to establish standards for residential developments designed to house senior citizens. By adopting these standards, the City recognizes that housing needs for senior citizens vary in some respects from the needs of non-seniors. When the suffix is applied to a property, certain development standards will be reduced; specifically, those related to floor area, site coverage, building separation, building bulk, parking and open space. These reduced standards will enable senior citizen projects to be built and sold/rented at a more affordable cost. (Program Action 1.2)

#### **Second Unit Ordinance**

The City of Huntington Beach has amended its ordinance code by adding a new subsection pertaining to second units in single-family residences. A second unit may be added to an existing single family structure subject to standards within the ordinance. This ordinance can provide a cost effective means of serving additional development through the use of existing infrastructure and should provide relatively affordable housing for low and moderate income small households within existing under-utilized structures. (2.0 Policies)

#### **Mobilehome Overlay Zone and Conversion Ordinance**

The Mobilehome Overlay Zone and Conversion Ordinance contains requirements for applying the mobilehome park overlay zone and provides minimum standards for an acceptable mobilehome relocation assistance plan if a mobilehome park is converted to other uses. Many senior citizens and low income households presently reside in the City's mobilehome parks. The goal of the mobilehome relocation assistance plan is to provide alternative housing opportunities for mobilehome residents who may be displaced as a result of the conversion of mobilehome parks to other land uses. Any displacement of mobilehome units (or any low or moderate income housing) resulting from City-sponsored redevelopment activities will be replaced in equal number within four years and will be available at affordable rates. (2.0 Policies)

#### **Fast Track Processing**

The City is considering developing an expedited processing procedure for projects with an affordable component which require approval by the City's Planning Commission or Council. This program would be helpful in reducing holding costs while processing the approvals necessary for zone changes, density bonuses, plan check and building permit procedures, thereby resulting in lower construction costs and more affordable housing. The specific procedures for fast-track processing of affordable housing projects could be developed as part of the update to Division 9 of the City Municipal Code. (Program Action 2.8)

### 3.6.1.5 Fair Housing

#### Orange County Fair Housing Council

Huntington Beach is a member of the Orange County Fair Housing Council and will contribute \$32,000 in Community Development Block Grant funds for its support during fiscal year 1989-90. The primary programs of the Fair Housing Council include: 1) housing discrimination response; 2) landlord-tenant counseling; 3) low income housing advocacy; 4) publication of the semi-annual Forum newsletter; and 5) community awareness and education. (Program Action 1.1)

### 3.6.2 Housing Programs Under Study

In order to increase affordable housing opportunities in Huntington Beach, the following additional programs are currently under study by the City.

#### Reverse Mortgage Program

The most substantial asset of most elderly homeowners is their home, which in Huntington Beach has increased significantly in value with inflation. And while owning a home may provide a rich asset base, with the onslaught of retirement and a fixed income, many elderly homeowners quickly become income poor. Home maintenance repairs multiply as the home ages, and with the rising costs in home utilities, insurance, and taxes, maintenance often gets deferred altogether, creating an unsafe and often depressing living environment for the senior.

An alternative option for the elderly homeowner is to draw needed income from the accumulated equity in their homes through a reverse mortgage. A reverse mortgage is a deferred payment loan or a series of such loans for which a home is pledged as security. Qualification for the loan is based primarily on property value rather than on income, allowing the elderly homeowner on a fixed income to receive a loan for which he or she would otherwise not qualify. Most reverse mortgage programs permit homeowners to borrow up to 80 percent of the assessed value of their property, to receive needed principal of up to 25 percent of the loan, and then to receive monthly annuity payments for the life of the loan.

The San Francisco Development Fund offers free training to communities interested in organizing a reverse mortgage program for seniors. Rather than making the loans themselves, the City's role could be to facilitate the initiation of reverse mortgage loans through the following steps. First, the City would need to provide educational and counseling services to seniors interested in pursuing a reverse mortgage. Secondly, the City would need to work with local lending institutions which currently provide these loans to gain a thorough understanding of the application process. The City could then work with the seniors to complete the loan applications and assist in providing any other necessary information to the bank. Local contacts which may be helpful to the City in setting up a reverse mortgage program include the City of Orange, which has been operating their mortgage program for over a year, and Security Pacific National Bank in Downey, which has begun offering reverse mortgage loans.



## Non-Profit Construction

A non-profit housing corporation works to develop, conserve and promote affordable housing, either owner or renter-occupied. Often the non-profit is involved with what is called "assisted housing" where some type of government assistance (such as Section 8) is provided to the individual household to keep rents affordable. Housing corporations can work with assisted housing in several ways:

1. The non-profit may assemble a development package and sell it to a profit-motivated developer. The package usually consists of a site, project design, the necessary permits, and, in some cases, preliminary financing commitments. The advantage of this method is that the non-profit can get low- and moderate-income housing built while ending its involvement early in the process and going on to other projects. The disadvantage is that the non-profit may lose control over the development at the time of sale. However, the non-profit could negotiate to retain some control over the project in the recorded contractual agreement between it and the developer.
2. The non-profit may participate in a joint venture with a profit-motivated developer. Though it usually performs the same functions as in the first method, the non-profit can retain more control over the development and gain hands-on development experience while benefitting from the financial resources of the for-profit developer. In this option, however, the non-profit has a longer involvement and will have to negotiate the rights and responsibilities of the two partners.
3. In the third approach, the non-profit is the developer. In this case, the group must employ staff with necessary expertise or rely heavily on consultants. In return, the group has total control over the development. This option requires more risk, money, time, effort, and capability on the part of the non-profit.

A non-profit housing corporation can help meet the goals for additional housing by implementing or assisting with the implementation of programs described in the Housing Element. The City should coordinate with local non-profit groups or encourage the formation of a housing development corporation by interested parties in the community to facilitate the development and improvement of low cost housing in Huntington Beach.



## Neighborhood Housing Services

The Neighborhood Housing Services (NHS) program operates as a private non-profit group run by local residents, business leaders, and local government. The purpose of the NHS is to assist in rehabilitation and preservation of housing units in neighborhoods where the housing stock is deteriorating. Services provided by the NHS can include rehabilitation counseling, assisting homeowners in working with contractors, advise about financing, revolving loans for rehabilitation, and involving the neighborhood in the community.

Limited funding for the NHS revolving loan fund is available through the Neighborhood Reinvestment Corporation (NRC), a non-profit public corporation authorized by Congress to encourage revitalization of residential neighborhoods. NRC provides \$50,000 grants for the revolving loan fund and makes available technical assistance to develop and maintain the NHS.

## Limited Equity Cooperatives

Limited equity cooperatives provide a means of homeownership to people who could not otherwise afford to buy housing. A housing cooperative is owned by a corporation made up of the cooperative's residents. Members do not own the individual units in which they live, but rather they own a share in the corporation and thereby have the exclusive right to occupy a specific unit. In a limited equity cooperative, the amount for which a share may be sold is limited to ensure the long term affordability of the unit. Affordability is protected because the corporate entity holds a blanket mortgage where vacated units are not refinanced and resold, thereby protecting them from price inflation. The City can maintain information and limited equity cooperatives as reference for groups trying to organize a co-op.

## Mobile Home Park Assistance Program

This program, offered by the State Department of Housing and Community Development, provides financial and technical assistance to mobilehome park residents who wish to purchase their mobilehome parks and convert the parks to resident ownership. Loans are made to low-income mobilehome park residents or to organizations formed by park residents to own and/or operate their mobilehome parks, thereby allowing residents to control their housing costs. Loans are limited to 50 percent of the purchase price plus the conversion costs of the mobilehome park, and are awarded by the State on a competitive basis. Applications must be made by mobilehome park residents who must form a resident organization, and a local public entity as co-applicants. The City could help to facilitate the use of this program by advertising its availability to mobilehome park residents, and by serving as co-applicant for resident organizations applying to the State for funding.

### Mortgage Credit Certificate Program

The City of Huntington Beach is interested in exploring the feasibility of a mortgage credit certificate program. Under this program, first time homebuyers would receive a credit on their annual home mortgage interest payments. Depending on the amount of available subsidy and the income of the homeowner, credits could range between 20-50 percent of the annual interest payment. As the ratio of interest to principal paid on the mortgage decreases through time, the amount of interest subsidy would also decrease. A Mortgage Credit Certificate Program could be financed through the City's Redevelopment Set Aside fund, and would be limited to use by low and moderate income households. (Program Action 2.13)

APPENDIX A  
STATE HOUSING ELEMENT REQUIREMENTS





## STATE HOUSING ELEMENT REQUIREMENTS

| REQUIRED HOUSING ELEMENT COMPONENT  | REFERENCE                   |
|---|-----------------------------|
| A. Housing Needs Assessment   |                             |
| 1. Analysis of population trends in Huntington Beach in relation to regional trends   | Data Report, Section 2.1    |
| 2. Analysis of employment trends in Huntington Beach in relation to regional trends   | Data Report Chapter 5.0     |
| 3. Projection and quantification of Huntington Beach's existing and projected housing needs for all income groups   | Housing Element Section 3.4 |
| 4. Analysis and documentation of Huntington Beach's housing characteristics including the following:  |                             |
| a. level of housing cost compared to ability to pay;  | Data Report, Section 3.5    |
| b. overcrowding;  | Data Report, Section 3.3    |
| c. housing stock condition.   | Data Report, Section 4.3    |
| 5. An inventory of land suitable for residential development including vacant sites and sites having redevelopment potential and an analysis of the relationship of zoning, public facilities and services to these sites | Housing Element Section 2.3 |
| 6. Analysis of existing and potential governmental constraints upon the maintenance, improvement, or development of housing for all income levels   | Housing Element Section 2.2 |
| 7. Analysis of existing and potential nongovernmental and market constraints upon maintenance, improvement, or development of housing for all income levels   | Housing Element Section 2.2 |

## STATE HOUSING ELEMENT REQUIREMENTS (continued)

| REQUIRED HOUSING ELEMENT COMPONENT   | REFERENCE                      |
|--|--------------------------------|
| 8. Analysis of special housing needs: handicapped, elderly, large families, and female-headed households   | Housing Element<br>Section 2.1 |
| 9. Analysis concerning the needs of homeless individuals and families in Huntington Beach  | Housing Element<br>Section 2.1 |
| 10. Analysis of opportunities for energy conservation with respect to residential development  | Data Report,<br>Section 7.2    |
| B. <u>Goals and Policies</u>   |                                |
| 1. Identification of Huntington Beach's community goals relative to maintenance, improvement, and development of housing   | Housing Element<br>Section 3.2 |
| 2. Quantified objectives and policies relative to the maintenance, improvement, and development of housing in Huntington Beach   | Housing Element<br>Section 3.2 |
| C. <u>Implementation Program</u>   |                                |
| An implementation program should do the following:   |                                |
| 1. Identify adequate sites which will be made available through appropriate action with required public services and facilities for a variety of housing types for all income levels | Housing Element<br>Section 3.2 |
| 2. Program to assist in the development of adequate housing to meet the needs of low- and moderate-income households   | Housing Element<br>Section 3.2 |
| 3. Identify and, when appropriate and possible, remove governmental constraints to the maintenance, improvement, and development of housing in Huntington Beach                      | Housing Element<br>Section 3.2 |
| 4. Conserve and improve the condition of the existing affordable housing stock in Huntington Beach   | Housing Element<br>Section 3.2 |
| 5. Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin or color   | Housing Element<br>Section 3.2 |

CITY OF HUNTINGTON BEACH  
HOUSING ELEMENT TECHNICAL REPORT

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# City of Huntington Beach 1989 Housing Element Update

## Technical Data Report







## 1.0 INTRODUCTION

### 1.1 Purpose of Report

Huntington Beach is a diverse community with households of varied socio-economic, racial and cultural backgrounds. Providing adequate and affordable housing opportunities for its diverse resident population is both a concern and an obligation of the City. The Housing Element is an official municipal response to the need to provide housing for all economic segments of the community.

This Technical Data Report provides an overview of the population, socio-economic, and housing characteristics of the City of Huntington Beach. This information will help to define the City's current and projected housing needs, and provide direction in developing the City's Housing Element goals, policies and programs. It has been prepared with the assistance of City staff, and will be reviewed by a Housing Committee comprised of several City Council members and City residents. The final Technical Data Report will serve as the basis for developing the City's Housing Element which will set forth a comprehensive housing strategy for the City of Huntington Beach. This report will serve as a technical appendix to the Housing Element, and will be required to be updated at least every five years along with the Element.

### 1.2 Sources of Information

Several sources of information provided insights into recent demographic and housing trends that have taken place within the City. Data from the 1980 Census and from the City's 1984 Housing Element were used as the base year for comparison for many of the tables in this report. Current housing unit data was obtained from the State Department of Finance, SCAG, and from City records and reports. Demographic and household information, e.g. current ethnic mix, household income, have primarily been obtained from estimates prepared by Urban Decision Systems, Inc. (UDS). UDS annually prepares demographic/household updates based on data supplied by Federal, state, county and city sources. In order to ensure consistency with population and housing unit totals obtained from the Department of Finance, slight adjustments were made to the UDS data to reflect these totals.

In addition to providing household information on the City-wide level, the City has been divided into four geographic subareas to allow comparison among different areas in Huntington Beach. These subareas are comprised of Oldtown/Downtown, Harbor/Bolsa Chica, North Central and Southeast Huntington Beach, and are consistent with the Community Analysis areas defined by the Orange County Forecast Analysis Center.

### 1.3 Huntington Beach Setting

The City of Huntington Beach is an older suburban community situated in the northern coastal section of Orange County. The City is bordered by the unincorporated territory of Seal Beach to the northwest, the cities of Westminster and Fountain Valley to the north, the City of Costa Mesa to the east, and the Pacific Ocean to the south. The City's regional location is depicted in Figure 1.

The dominant physical characteristic of the City is its miles of coastline, including the Bolsa Chica and Huntington Beach State Parks. Other points of interest include Bolsa Chica Ecological Reserve, Huntington Harbor, and the natural waterways of Anaheim Bay Landing. Existing development pressures in Huntington Beach can be attributed to its coastal locale and its central location within the Los Angeles - San Diego urbanizing corridor.







## 2.0 POPULATION CHARACTERISTICS AND TRENDS

### 2.1 Population Growth

The entire Southern California region, including Orange County, is among the fastest growing in the nation. The older, well-established metropolitan areas of Los Angeles and central Orange County have been extending outward to the counties to the north and east. The southern and eastern portions of Orange County, western San Bernardino and Riverside Counties, and southern Ventura County are the most recent areas to be developed around the older urban core of Los Angeles.

Southern California, which includes Imperial, Orange, San Diego, Riverside, San Bernardino, Los Angeles, Ventura, and Santa Barbara Counties grew from 11,668,707 persons in 1970 to 13,750,217 persons in 1980, representing a population gain of over 17 percent (see Table 1). During this same ten-year period, Orange County's population increased from 1,420,386 persons in 1970 to 1,932,708 persons in 1980, a gain of 512,322 persons or 36 percent. Growth during the 1980s has been rapid as well. Between 1980 and 1988, the population of the eight county area grew by an additional 2,651,577 persons (19%). Orange County increased in population by 306,013 persons between 1980 and 1988, a 15.8 percent increase.

TABLE 1  
REGIONAL POPULATION GROWTH: 1970-1988

| COUNTY         | 1970      | POPULATION |           | CHANGE 1970 - 1988 |        |
|----------------|-----------|------------|-----------|--------------------|--------|
|                |           | 1980       | 1988      | No.                | %      |
| Imperial       | 74,492    | 92,110     | 111,105   | 36,613             | + 49.2 |
| Los Angeles    | 7,032,075 | 7,477,503  | 8,555,937 | 1,523,862          | + 21.7 |
| Orange         | 1,420,386 | 1,932,708  | 2,238,721 | 818,335            | + 57.6 |
| Riverside      | 459,074   | 663,166    | 946,074   | 487,000            | +106.1 |
| San Bernardino | 684,072   | 895,016    | 1,239,967 | 555,895            | + 81.3 |
| San Diego      | 1,357,854 | 1,861,846  | 2,327,684 | 969,830            | + 71.4 |
| Santa Barbara  | 264,324   | 298,694    | 345,003   | 80,679             | + 30.5 |
| Ventura        | 376,430   | 529,174    | 637,407   | 260,977            | + 69.3 |

Source: U.S. Dept. of Commerce, Bureau of the Census, 1980 Census Report; California Dept. of Finance, Controlled Population Estimates for 1-1-88.

The 1988 population of Huntington Beach is estimated by the California Department of Finance to be 187,740 persons, making Huntington Beach the third largest city in Orange County behind only Anaheim and Santa Ana. As illustrated in Table 2, Huntington Beach's population grew by approximately 10% between 1980 and 1988, representing an average annual growth rate of 1.25%. This population growth rate is comparable with most jurisdictions surrounding Huntington Beach. The population growth rate in Orange County was somewhat higher than in Huntington Beach, reflecting the fact that the City is more built out than many areas of the County.

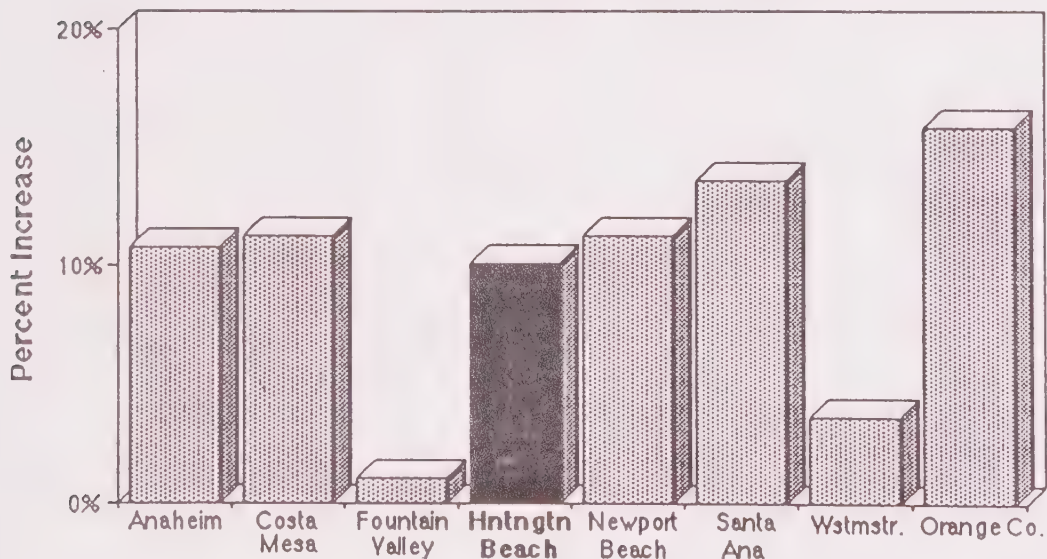
**TABLE 2**  
**POPULATION TRENDS: HUNTINGTON BEACH AND SURROUNDING AREAS**  
**1980-1988**

| Jurisdiction       | 1980(a)   | 1988(b)   | % Increase |
|--------------------|-----------|-----------|------------|
| Anaheim            | 219,311   | 243,021   | 10.8       |
| Costa Mesa         | 82,562    | 91,891    | 11.3       |
| Fountain Valley    | 55,080    | 55,702    | 1.1        |
| Huntington Beach   | 170,505   | 187,740   | 10.1       |
| Newport Beach      | 62,556    | 69,597    | 11.3       |
| Santa Ana          | 203,713   | 231,460   | 13.6       |
| Westminster        | 71,133    | 73,763    | 3.7        |
| Orange County SMSA | 1,932,709 | 2,238,721 | 15.8       |

Source: (a) U.S. Department of Commerce, Bureau of the Census, 1980 Census Report.

(b) California Department of Finance, Controlled Population Estimates for 1-1-88.

**POPULATION TRENDS: HUNTINGTON BEACH**  
**AND SURROUNDING AREAS 1980-1988**



Among the City's four subareas, the Downtown/Old Town neighborhood experienced the greatest amount of growth between 1980 and 1988, increasing in population by more than 23 percent (see Figure 2). The Harbor/Bolsa Chica subarea had the second highest growth rate, exhibiting a 16 percent increase in its resident population. The Southeast (8.3%) and North Central (3.1%) subareas grew by the smallest margin of increase, reflecting limited availability of developable land in these areas.

Table 3 projects population within Huntington Beach through the year 2010. According to estimates prepared by the Orange County Forecast Analysis Center, the City's population is expected to grow 13.9 percent between 1988 and 2010, representing an average annual growth rate (.63%) significantly below that experienced during the 1980-1988 period (1.25%). This growth would add 26,156 new residents to Huntington Beach, for a 2010 population of nearly 213,900. Factors which may influence future growth in Huntington Beach include growth controls, the availability of land suitable for residential development, and the price of housing.

**TABLE 3**  
**CITY OF HUNTINGTON BEACH**  
**PROJECTED POPULATION GROWTH: 1988-2010**

|                   | 1988 (a) | 1995(b) | 2000(b) | 2010(b) | Change<br>1988-2010 |      |
|-------------------|----------|---------|---------|---------|---------------------|------|
|                   |          |         |         |         | No.                 | %    |
| Total Population  | 187,740  | 199,577 | 203,291 | 213,896 | 26,156              | 13.9 |
| In Households     | 187,162  | 198,963 | 202,665 | 213,237 | 26,075              | 13.9 |
| In Group Quarters | 578      | 614     | 626     | 659     | 81                  | 14.0 |

Source: (a) Calif. Dept. of Finance, Controlled Population Estimates for 1-1-88.

b) Orange County Forecast Analysis Center, OCP-88 Modified, May 2, 1989. Households and group quarters are estimates based on 1988 DOF proportions for households and group quarters.

## 2.2 Age Composition

Table 4 illustrates the age distribution of Huntington Beach's residents in 1980 as reported by the census and in January 1988 as estimated by Urban Decision Systems. The median age in Huntington Beach in 1980 was 28.9, as compared to 29.5 in the County, 29.9 in California, and 30.0 in the United States. According to Urban Decision Systems, the median age in Huntington Beach had increased to 31.9 in 1988. This increase in the median age reflects an actual decline in the number of children under 20 years of age in Huntington Beach, indicating a decline in the influx of families with children. Considered alongside the limited growth in the



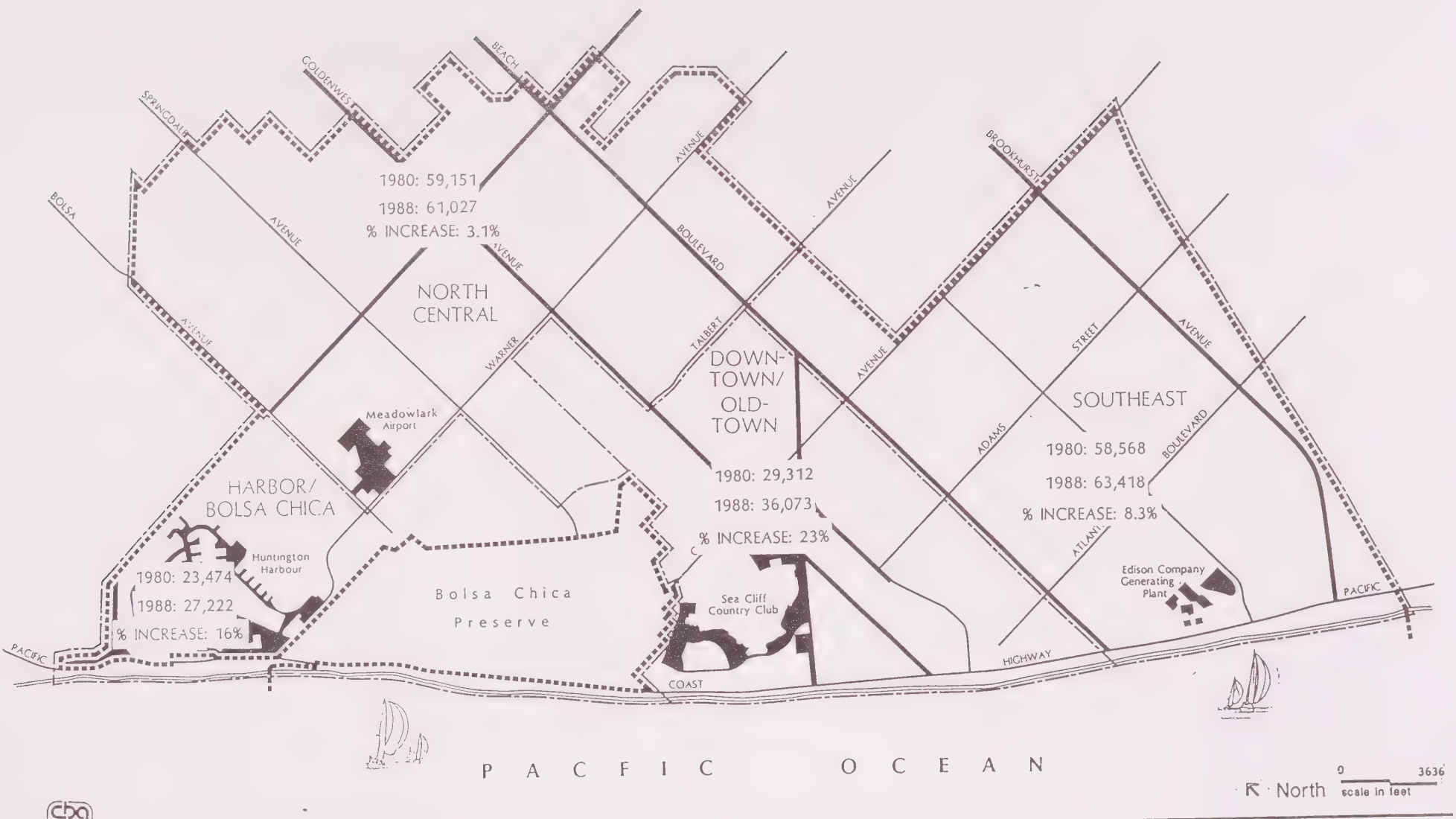


FIGURE 2  
POPULATION GROWTH: 1980-1988



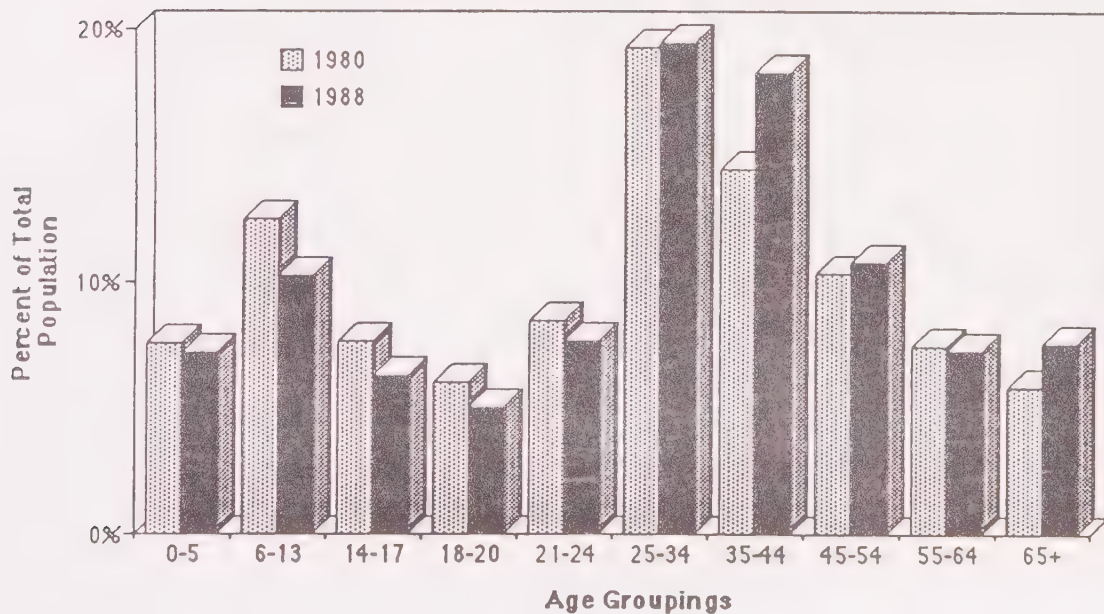
TABLE 4  
CITY OF HUNTINGTON BEACH  
AGE CHARACTERISTICS OF POPULATION: 1980 & 1988

| Age Range  | 1980(a)      |                 | 1988(b)      |                 |
|------------|--------------|-----------------|--------------|-----------------|
|            | # of Persons | % of Population | # of Persons | % of Population |
| 0-5        | 13,024       | 7.6             | 13,517       | 7.2             |
| 6-13       | 21,341       | 12.5            | 19,337       | 10.3            |
| 14-17      | 13,074       | 7.7             | 11,828       | 6.3             |
| 18-20      | 10,237       | 6.0             | 9,387        | 5.0             |
| 21-24      | 14,550       | 8.5             | 14,456       | 7.7             |
| 25-34      | 32,910       | 19.3            | 36,603       | 19.5            |
| 35-44      | 24,724       | 14.5            | 34,356       | 18.3            |
| 45-54      | 17,808       | 10.4            | 20,276       | 10.8            |
| 55-64      | 12,717       | 7.5             | 13,705       | 7.3             |
| 65+        | 10,120       | 5.9             | 14,268       | 7.6             |
| TOTAL      | 170,505      | 100.0           | 187,740      | 100.0           |
| MALE       | 84,634       | 49.6            | 92,369       | 49.2            |
| FEMALE     | 85,871       | 50.4            | 95,371       | 50.8            |
| Median Age | 28.9         |                 | 31.9         |                 |

Source: (a) U.S. Department of Commerce, Bureau of Census, 1980 Census Report.

(b) Urban Decision Systems, Demographic Trends; 1980-88-93.

CITY OF HUNTINGTON BEACH:  
AGE CHARACTERISTICS OF POPULATION



City's young adult population (age 25-34), these factors support the finding that the City's housing stock is inaccessible to many first-time homebuyers. The mid-adult age cohort (age 35-44) experienced the greatest increase in population over the 1980-88 period, the higher income of this group more able to afford the City's housing market. The City's elderly population (those 65 and over) increased from 5.9 percent of the population in 1980 to 7.6 in 1988, representing an increase of over 4,000 persons. Nonetheless, this is still below both the County's (8.3%) and State's (9.0%) proportion of elderly in 1980. The proportion of elderly persons in Huntington Beach can be expected to continue to increase as those persons between the ages of 35 and 64 (over one-third of the population) grow older, consistent with nationwide trends of a large aging population.

### 2.3 Race and Ethnicity

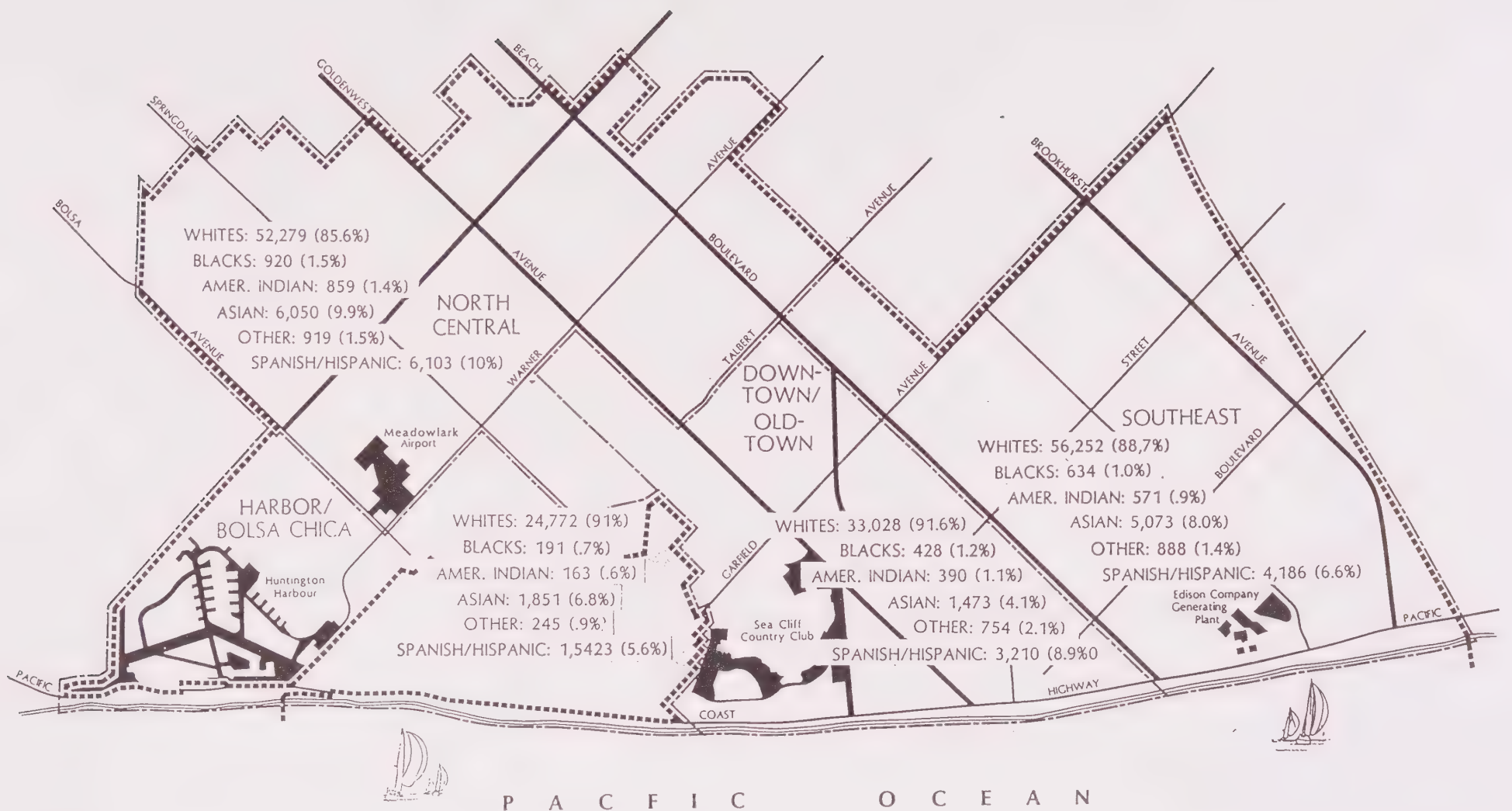
Table 5 presents the race and ethnic make-up of Huntington Beach in 1980 as reported by the census and in 1988 as estimated by Urban Decision Systems. As this table reveals, the majority of Huntington Beach's population is White and comprised 90.4 percent of the City's 1980 population, contrasting to 86.4 percent Whites County-wide. The proportion of White persons had decreased slightly to 88.6% in 1988, reflecting an influx of other ethnic groups into the community. The second largest ethnic group in the City is persons of Spanish/Hispanic origin, representing eight percent of the City's 1988 population; this is substantially below the County-wide proportion of 14.8 percent in 1980. Asian/Pacific Islanders comprise 7.7 percent of the City's population, reflecting a significant increase over 1980; the County-wide proportion of Asian/Pacific Islanders was 4.5 percent in 1980. Blacks, American Indians, and "Other" ethnic groups are the least represented groups in Huntington Beach, each comprising just over one percent of the City's 1988 population.

**TABLE 5**  
**CITY OF HUNTINGTON BEACH**  
**ETHNIC COMPOSITION: 1980 & 1988**

| Race and Ethnicity      | 1980(a)    |         | 1988(b)    |         |
|-------------------------|------------|---------|------------|---------|
|                         | Population | % Total | Population | % Total |
| White                   | 154,156    | 90.4    | 166,338    | 88.6    |
| Black                   | 1,218      | .7      | 2,065      | 1.1     |
| Amer. Indian            | 1,204      | .7      | 2,065      | 1.1     |
| Asian/Pacific Islander  | 8,453      | 5.0     | 14,456     | 7.7     |
| Other                   | 5,474      | 3.2     | 2,816      | 1.5     |
| Total                   | 170,505    | 100.0   | 187,740    | 100.0   |
| Spanish/Hispanic Origin | 13,427     | 7.9     | 15,019     | 8.0     |

Source: (a) U.S. Dept. of Commerce, Bureau of the Census, 1980 Census Report.  
(b) Urban Decisions Systems, Demographic Trends: 1980-88-93.

The four geographic subareas in the City evidence some differences in racial composition as illustrated in Figure 3. The Harbor/Bolsa Chica and Downtown/Old Town areas are the least racially diverse, White persons comprising over 91 percent of their resident population. North Central Huntington Beach, on the other hand, exhibits the highest concentration of Spanish/Hispanic (10%) and Asian/Pacific Islander (9.9%) populations in the City. The resident population in Southeast Huntington Beach generally parallels the ethnic make-up of the City as a whole.



chm

0 3636  
North scale in feet

FIGURE 3  
RACE AND ETHNICITY:1988



### 3.0 HOUSEHOLD CHARACTERISTICS

The characteristics of the population provide an essential component toward the understanding of growth and change in a community. In addition, information collected on the household level provides a good base for the analysis of a community's housing needs. The Bureau of the Census defines a household as all persons who occupy a housing unit, which may include single persons living alone, families related through marriage or blood, and unrelated individuals living together. Persons living in retirement or convalescent homes, dormitories, or other group living situations are not considered households.

#### 3.1 Household Composition

In 1980, there were a total of 61,126 households in the City of Huntington Beach. According to the Department of Finance, the City had grown to 68,395 households in 1988, representing an 11.9 percent increase during the eight year period.

As presented in Table 6, families represented the City's predominant household type in 1980 (72%), equivalent to the County-wide proportion of family households. Single-person households represented the second largest household group in Huntington Beach, comprising 19 percent of all households. An estimated 9 percent of the City's households fell within the "other" category, representing individuals who share a housing unit and are not related by blood or marriage.

Based on 1988 household estimates by Urban Decision Systems, the proportion of family households in Huntington Beach has decreased from 72 to 68 percent of total households. This decline in the proportion of family households could partially be reflective of the increased number and proportion of renter households in the City. Single-person households on the other hand have increased in relative magnitude since 1980 and currently comprise an estimated 23 percent of the City's total households. Finally, current estimates indicate a relatively constant proportion of non-related individuals living together, "other" households comprising 9 percent of the total.

TABLE 6  
CITY OF HUNTINGTON BEACH  
HOUSEHOLD TYPE: 1980 & 1988

|          | 1980           |            | 1988           |            |
|----------|----------------|------------|----------------|------------|
|          | No. Households | % of Total | No. Households | % of Total |
| Families | 43,822         | 72%        | 46,388         | 68%        |
| Singles  | 11,584         | 19%        | 15,854         | 23%        |
| Other    | 5,720          | 9%         | 6,153          | 9%         |
| Total    | 61,126         |            | 68,395         |            |

Source: U.S. Dept. of Commerce, Bureau of the Census, 1980 Census Report; California Dept. of Finance Controlled Population Estimates for 1-1-88; Urban Decision Systems, Demographic Trends: 1980-88-93.

### 3.2 Household Size

Household size is an important indicator identifying sources of population growth as well as overcrowding in individual housing units. A city's average household size will increase over time if there is a trend towards larger families. In communities where the population is aging, the average household size may actually decline.

Average household size in Huntington Beach was 2.78 persons per unit in 1980 and had decreased to 2.74 in 1988 (see Table 7). Projections to 1993 depict a continued decrease in the City's average household size to 2.67 persons per unit. Several factors occurring in Huntington Beach are influencing this trend. The proportional increase in renter-occupied housing which occurred between 1980-1988 contributes to smaller households, as does the relative decrease in family households. Orange County's household size is comparable to Huntington Beach's, and reflects the same trend towards decreasing household size.

TABLE 7  
CITY OF HUNTINGTON BEACH  
HOUSEHOLD SIZE: 1980-1993

|                  | 1980(a) | 1988(b) | 1993(c) |
|------------------|---------|---------|---------|
| Huntington Beach | 2.78    | 2.74    | 2.67    |
| Orange County    | 2.78    | 2.75    |         |

Source: (a) U.S. Dept. of Commerce, Bureau of the Census, 1980 Census Report.  
(b) Calif. Dept. of Finance Controlled Population Estimates for 1-1-88.  
(c) Urban Decisions Systems, Demographic Trends: 1980-88-93.

### 3.3 Overcrowding

The Census defines overcrowded households as units with greater than 1.01 persons per room, excluding bathrooms, kitchens, hallways, and porches. Overcrowding reflects the inability of households to buy or rent housing which provides reasonable privacy for their residents. According to the 1980 Census, the incidence of overcrowding in Huntington Beach was minimal, with only 3.3 percent of all housing units defined as overcrowded, compared with 5.6 percent County-wide. The census also reveals the prevalence of overcrowding among renter households, with 74 percent of the City's overcrowded households renter-occupied.

### 3.4 Household Income

An important factor with respect to housing affordability is household income. While upper income households have more discretionary income to spend on housing, low and moderate income households are more limited in the range of housing they can afford. The presence of a large number of low and moderate income households in a community like Huntington Beach where housing costs are high is indicative of a high level of housing overpayment.

Huntington Beach's median household income in 1979 was \$24,015, whereas median family income was slightly higher at \$26,985.<sup>(a)</sup> As illustrated in Table 8, household and family incomes in Huntington Beach approximate those in the County as a whole, with household incomes 6 percent higher than the County and family incomes just 4 percent higher. This table also reveals the wide variation in incomes among nearby jurisdictions. For example, the City of Fountain Valley had a median household income 31 percent higher than the County median, while the City of Santa Ana's median household income was 18 percent lower than the median for the County. Huntington Beach's 1979 household income is greater than that in the cities of Anaheim, Costa Mesa, Santa Ana and Westminster, and is surpassed by the nearby cities of Fountain Valley and Newport Beach.

TABLE 8  
MEDIAN HOUSEHOLD AND FAMILY INCOME:  
HUNTINGTON BEACH AND SURROUNDING AREAS  
1979

| JURISDICTION       | MEDIAN<br>HOUSEHOLD<br>INCOME | PERCENT<br>ABOVE/BELOW<br>COUNTY MEDIAN | MEDIAN<br>FAMILY<br>INCOME | PERCENT<br>ABOVE/BELOW<br>COUNTY MEDIAN |
|--------------------|-------------------------------|---|----------------------------|---|
| Anaheim            | \$20,026                      | -11.2%                                  | \$23,112                   | -10.8%                                  |
| Costa Mesa         | \$19,309                      | -14.4                                   | \$22,485                   | -13.2%                                  |
| Fountain Valley    | \$29,590                      | +31.2%                                  | \$31,051                   | +19.8%                                  |
| Huntington Beach   | \$24,015                      | + 6.5%                                  | \$26,985                   | +4.1%                                   |
| Newport Beach      | \$27,516                      | +22.0%                                  | \$36,447                   | +40.6%                                  |
| Santa Ana          | \$18,362                      | -18.6%                                  | \$20,193                   | -22.1%                                  |
| Westminster        | \$22,930                      | + 1.7%                                  | \$25,050                   | - 3.3%                                  |
| Orange County SMSA | \$22,557                      | -                                       | \$25,918                   | -                                       |

Source: U.S. Dept. of Commerce, Bureau of Census, 1980 Census Report

(a) Family households are defined by the Census as households containing two or more persons related by blood, marriage, or adoption. Family household income is generally larger than household income because family households tend to have more members and, therefore, more potential wage earners than non-family households.



The Department of Housing and Urban Development and the State Department of Housing and Community Development have developed the following income categories and their definitions:

- ° Very Low Income - less than 50 percent of the regional (County) median.
- ° Low Income - between 51 and 80 percent of the County median.
- ° Moderate Income - between 81 and 120 percent of the County median.
- ° Upper Income - greater than 120 percent of the County median.

The City's 1979 income distribution can be divided into these four income categories through interpolation, as presented in Table 9. In addition, estimates of 1988 household income in Huntington Beach have been obtained from Urban Decision Systems, and have been grouped into the four income categories based on a 1988 median household income of \$44,400 for Orange County. Comparing the City's income distributions in these two years provides insight into the changing income characteristics of the City's population.

Huntington Beach has experienced both a proportional and a numeric increase in households classified as Very Low, Low and Moderate Income during the 1979-1988 period. Very Low Income households have experienced the greatest increase of any of income group, with 24.5 percent of the City's 1988 households earning less than half the county median income, as compared with 18 percent in 1979. Low Income households have experienced a more modest increase from 16.2 to 18.7 percent of total households, as have Moderate Income households which increased from 22.7 to 23.3 percent of total households. Finally, the City has experienced a significant decrease in Upper Income households from 42.1 to 33.5 percent of total households, and an actual numeric reduction of 3,373 households. Explaining these significant changes in the City's income distribution is the fact that Orange County median household income increased 97 percent during the 1979-1988 period from \$22,557 to \$44,400. Household incomes in Huntington Beach experienced a somewhat lesser increase from \$24,015 to \$40,375, or 68 percent, during the same time period.

#### Household Income by Geographic Subarea

Figure 4 presents estimated 1988 household income for each of the four geographic subareas evaluated. Downtown/Old Town exhibited the lowest incomes in the City, with a median household income of \$31,024, substantially below the City-wide median of \$40,375. Incomes in North Central Huntington Beach (\$40,222 median) were comparable to those City-wide. Harbor/Bolsa Chica and Southeast Huntington Beach evidenced the highest incomes in the City, with 1988 median household incomes of \$44,569 and \$45,900 respectively.

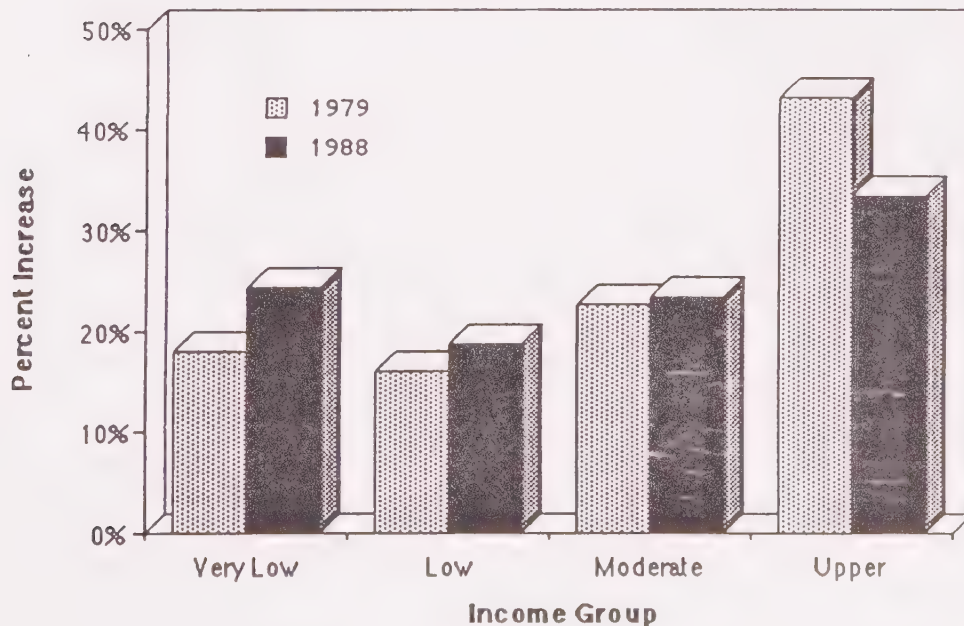


**TABLE 9**  
**CITY OF HUNTINGTON BEACH**  
**INCOME GROUPS: 1979 & 1988**

| Income Group  | 1 9 7 9              |                          | 1 9 8 8              |                          |
|---|----------------------|--------------------------|----------------------|--------------------------|
|   | Number of Households | Proportion of Households | Number of Households | Proportion of Households |
| Very Low<br>(Less than 50%<br>County median income)         | 10,980               | 18.0%                    | 16,778               | 24.5%                    |
| Low Income<br>(50% - 80%<br>County median income)           | 9,850                | 16.2%                    | 12,753               | 18.7%                    |
| Moderate Income<br>(80-120%<br>County median income)        | 13,835               | 22.7%                    | 15,939               | 23.3%                    |
| Upper Income<br>(Greater than 120%<br>County median income) | 26,298               | 43.1%                    | 22,925               | 33.5%                    |
| <b>TOTAL</b>  | <b>60,963</b>        | <b>100%</b>              | <b>68,395</b>        | <b>100.0%</b>            |
| 1979 median County household income: \$22,557               |                      |                          |                      |                          |
| 1988 median County household income: \$44,400               |                      |                          |                      |                          |

Source: U.S. Dept. of Commerce, Bureau of Census, 1980 Census Report;  
Urban Decision Systems, Income: 1980-88-93;  
Cotton/Beland/Associates, Inc.

**CITY OF HUNTINGTON BEACH**  
**INCOME GROUPS: 1979 AND 1988**



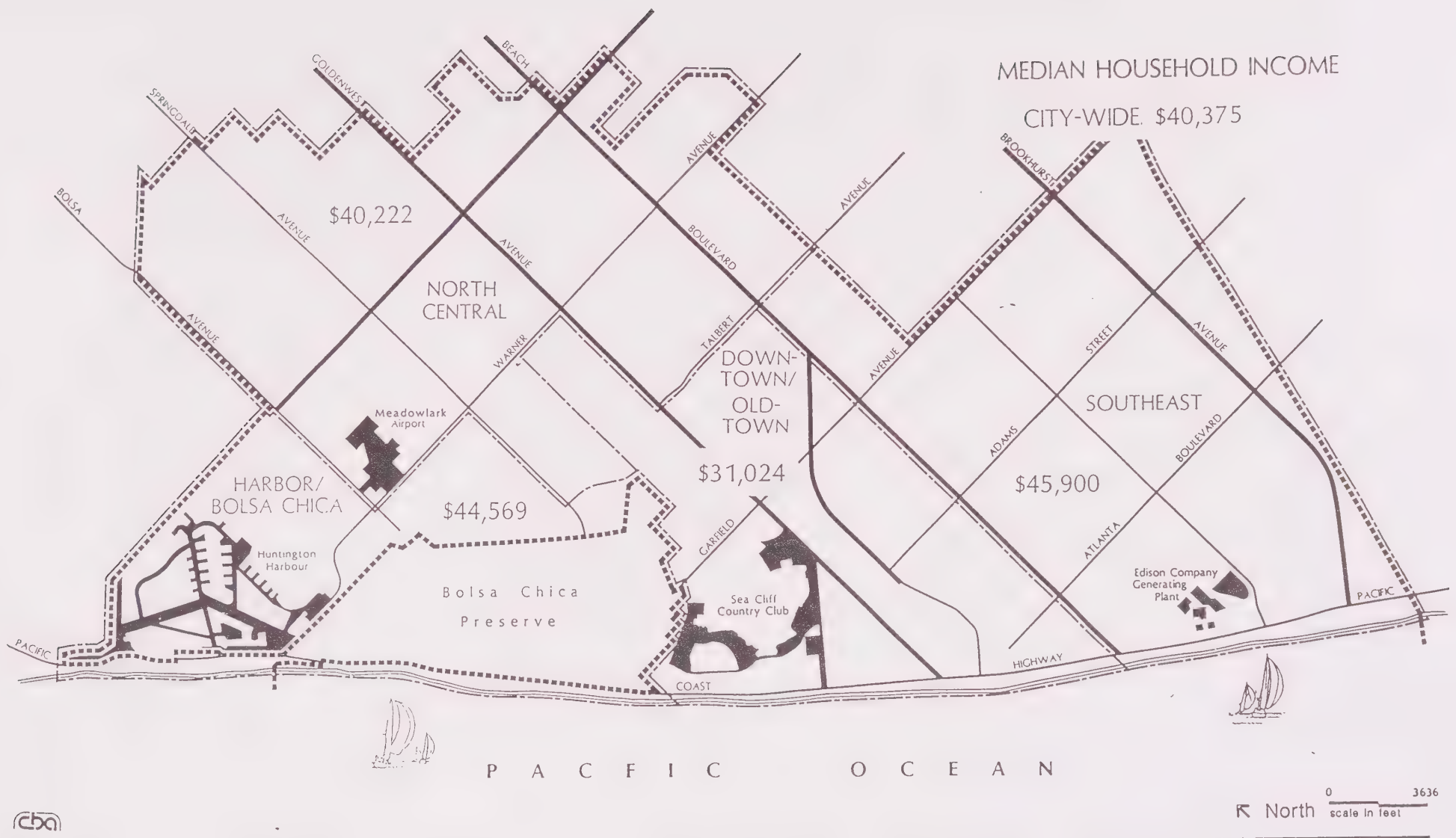


FIGURE 4  
MEDIAN HOUSEHOLD INCOME:1988

Table 10 presents a breakdown of incomes into the four income groups for each of the geographic subareas. This data indicates that Downtown/Old Town contains the highest proportion of Very Low Income households, an estimated 35 percent of the total households in this area classified as Very Low Income. Nearly one-quarter of the households in North Central Huntington Beach are Very Low Income, with Southeast Huntington Beach and Harbor/Bolsa Chica each containing approximately 20 percent Very Low Income households. Consistent with its high concentration of Very Low Income households, Downtown/Old Town contains the highest proportion (22%) of Low Income households in the City. North Central, Harbor/Bolsa Chica, and Southeast Huntington Beach contain 19, 18, and 16 percent Low Income households respectively. This income data indicates that, while concentrations of lower income households are located in Downtown/Old Town and to a lesser degree in North Central Huntington Beach, lower income households are located throughout the City.

### 3.5 Housing Affordability

State and Federal standards for housing overpayment are based on an income-to-housing cost ratio of 30 percent and above. Households paying greater than this amount have less income left over for other necessities such as food, clothing, utilities and health care. It is recognized, however, that Upper Income households are generally capable of paying a larger proportion of their income for housing, and therefore estimates of housing overpayment generally focus on lower income groups.

The Regional Housing Needs Assessment (RHNA) prepared by SCAG identifies housing overpayment for the City's lower income households <sup>(a)</sup> based on data from the 1980 census. According to the RHNA, an estimated 10,565 (or 45 percent) of Huntington Beach's lower income households were paying more than 30 percent of their income on rent or mortgage payments as of January 1, 1988. Of these overpayers, 5,961 are classified as Very Low Income and 4,604 are Low Income.

#### Housing Overpayment by Tenure

The distinction between renter and owner housing overpayment is important because, while homeowners may over-extend themselves financially to afford the option of home purchase, the owner always maintains the option of selling the home. Renters, on the other hand, are limited to the rental market, and are generally required to pay the rent established in that market. The Regional Housing Needs Assessment has broken down housing overpayment by housing tenure, as presented in Table 11. Of the total 10,565 lower income households identified as overpayers, 8,638 were renter households and only 1,927 were owner households. This discrepancy is largely reflective of the tendency of renter households to have lower incomes than owner households.

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(a) Lower income households are defined as households whose total gross income is less than 80 percent of the County median. "Lower Income" encompasses both Very Low and Low Income groups.



**TABLE 10**  
**CITY OF HUNTINGTON BEACH**  
**1988 INCOME DISTRIBUTION BY SUBAREA**

| Income Group                             | Downtown/<br>Old Town | Southeast | Harbor/<br>Bolsa Chica | North<br>Central |
|--|-----------------------|-----------|------------------------|------------------|
| Very Low Income<br>(Less than \$22,200)  | 35%                   | 19%       | 21%                    | 24%              |
| Low Income<br>(\$22,200 - \$35,519)      | 22%                   | 16%       | 18%                    | 19%              |
| Moderate Income<br>(\$35,520 - \$53,279) | 20%                   | 25%       | 21%                    | 26%              |
| Upper Income<br>(\$53,280 and above)     | 23%                   | 40%       | 40%                    | 31%              |
| TOTAL                                    | 100%                  | 100%      | 100%                   | 100%             |

Source: Urban Decision Systems, Income: 1980-88-93;  
Cotton/Beland/Associates, Inc.

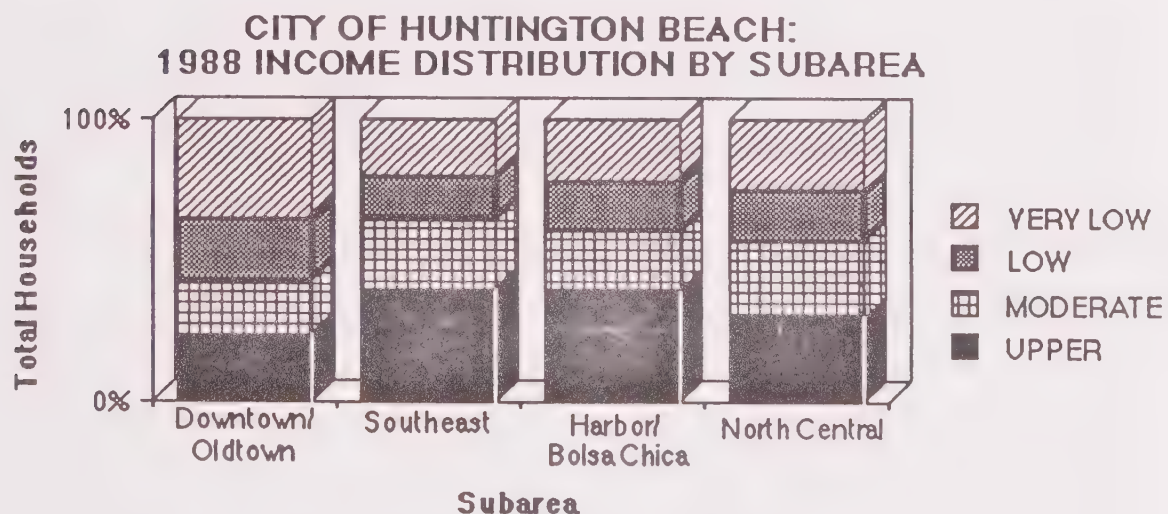




TABLE 11  
CITY OF HUNTINGTON BEACH  
LOWER INCOME HOUSEHOLDS PAYING GREATER THAN 30%  
OF INCOME FOR SHELTER

| Household<br>Tenure | Very Low<br>Income | Low Income | Total  |
|---------------------|--------------------|------------|--------|
| Owner               | 1,137              | 790        | 1,927  |
| Renter              | 4,824              | 3,814      | 8,638  |
| Total               | 5,961              | 4,604      | 10,565 |

Source: SCAG Regional Housing Needs Assessment, June 1988.

### 3.6 Special Needs Groups

Certain segments of the population may have a more difficult time finding decent, affordable housing due to special circumstances. In Huntington Beach, these "special needs" households include the elderly, handicapped persons, large families, female-headed households, farmworkers, and the homeless. The number of special needs households and/or persons in Huntington Beach is summarized in Table 12.

TABLE 12  
CITY OF HUNTINGTON BEACH  
SUMMARY OF SPECIAL NEEDS GROUPS: 1988

| Needs Group                  | Number of<br>Households/Persons | % of Total<br>Households/Population |
|------------------------------|---------------------------------|-------------------------------------|
| Elderly (65+)(a)             | 14,268                          | 7.6                                 |
| Handicapped (b)              | 1,444                           | 2.1                                 |
| Large Families (c)           | 6,878                           | 9.8                                 |
| Female-headed Households (d) | 6,316                           | 9.0                                 |
| Farmworkers (e)              | 878 (1984)                      | .6                                  |

- Sources:
- (a) Urban Decisions Systems, Demographic Trends: 1980-88-93. Proportions of elderly applied to Calif. Dept. of Finance 1988 population estimate.
  - (b) City of Huntington Beach, Housing Assistance Plan, 1988-1991.
  - (c) Urban Decisions Systems, Demographic Trends: 1980-88-93. Proportions of large families applied to Calif. Dept. of Finance 1988 reported households.
  - (d) Proportion of female-headed households in 1984 as reported by Huntington Beach Housing Element, applied to Calif. Dept. of Finance 1988 reported households.
  - (e) City of Huntington Beach Housing Element, July 1984.

**Elderly:** The special needs of many elderly households result from their lower, fixed incomes, physical disabilities, and dependence needs. An estimated 14,266 elderly (65 years and over) resided in Huntington Beach in 1988, representing 7.6 percent of the total population. The proportion of elderly can be expected to increase as those persons between the age of 35 and 64 grow older. Many elderly households in the City are of lower income, and of these the City's 1988 Housing Assistance Plan (HAP) estimates 1,226 are in need of rental assistance. Escalating housing costs, particularly in the rental market, severely impact housing affordability for the elderly, who are usually on fixed incomes. Housing needs of the elderly can be addressed through the provision of smaller units, second units on lots with existing homes, shared living arrangements, congregate housing, and housing assistance programs.

**Handicapped:** Physical handicaps can hinder access to housing units of traditional design as well as limit the ability to earn adequate income. Huntington Beach's Housing Assistance Plan identifies 1,444 low and moderate income households that have at least one handicapped person, representing approximately .8 percent of total households within the City in 1988. The City's handicapped can be classified according to the following household groups:

City of Huntington Beach  
Handicapped Households

|                        |            |
|------------------------|------------|
| Elderly                | 86         |
| Single,<br>non-elderly | 425        |
| Small Family           | 749        |
| Large Family           | <u>184</u> |

Total Households    1,444

Source: City of Huntington Beach, Housing Assistance  
Plan, 1988-1991

Housing opportunities for the handicapped can be maximized through the provision of affordable, barrier free housing.

**Large Families:** Large families are identified as a group with special housing needs based on the limited availability of adequately sized, affordable housing units. Large families are often of lower income, frequently resulting in the overcrowding of smaller dwelling units and in turn accelerating unit deterioration. The demand for larger units in the City can be expected to increase based on the City's growing ethnic population and the desire/need of many of these ethnic groups to cohabitate with extended families. Approximately 9.8 percent of the City's households in 1988 had five or more members, translating to 6,878 households. This represents a decrease from 1980 when large households comprised 12 percent of the City's total households. The City's Housing

Assistance Plan identifies 767 lower income large families in need of rental assistance, representing eight percent of total households needing rental subsidy. The housing needs of large households can be addressed through the provision of affordably priced larger housing units.

**Female-Headed Households:** Female-headed households tend to have low incomes, thus limiting housing availability for this group. In 1984, 9 percent of Huntington Beach's households were headed by a woman, as reported in the City's Housing Element. Applying this percentage to the City's 1988 housing stock translates to an estimated 6,316 female-headed households. The City's Housing Assistance Plan estimates that 4,268 female-headed households (67%) in Huntington Beach have dependent children under 18 years of age. Thus, providing housing opportunities for this group relates both to affordability and services related to the care of children.

**Farmworkers:** The special housing needs of many farmworkers stem from their low wages and the insecure nature of their employment. Those persons working in the farming industry have been counted by the 1980 U.S. Census and are also included in the City's 1984 Housing Element. According to the Census, approximately one percent of the total labor force in Huntington Beach was employed in farming, forestry, or fishing. According to the City's Housing Element, there were 878 persons employed as farmers residing in the City in 1984, or .6 percent of those persons aged 18 and over.

**Homeless:** Throughout the country, homelessness has become an increasing problem. Factors contributing to the rise in homeless include the general lack of housing affordable to low and moderate income persons, increases in the number of persons whose incomes fall below the poverty level, reductions in public subsidy to the poor, and the de-institutionalization of the mentally ill. Based on estimates by the Orange County Homeless Issues Task Force, the County's homeless population consists of approximately 8,000 to 10,000 individuals, some of whom are located in Huntington Beach. As a beach community, the City attracts numerous individuals who congregate along the beach, under the pier, by the Santa Ana River bed, and in Central Park. The Episcopal Service Alliance (ESA), an ecumenical organization in Huntington Beach which provides social services for homeless, reported for February 1989 the number and types of homeless which sought their assistance. As the figures below reveal, the majority of homeless seeking assistance are couples with children (195) and lone females with children (152). These totals, however, represent only a portion of the actual number of homeless in the City. ESA indicates that as referrals of the service continue to spread, the total number of homeless reported continues to increase every month.

City of Huntington Beach  
Homeless Seeking Assistance

| <u>Type</u>                | <u>Total<br/>Individuals</u> |
|----------------------------|------------------------------|
| Homeless with no shelter   | 17                           |
| Homeless in Motels         | 21                           |
| Homeless and Mentally Ill  | 3                            |
| Homeless Families          | 24                           |
| Couples                    | 12                           |
| Couples with children      | 195                          |
| Lone Females               | 16                           |
| Lone Females with children | 152                          |
| Lone Males                 | 37                           |
| Lone Males with children   | <u>4</u>                     |
| Total                      | 481                          |

Source: Episcopal Service Alliance,  
February 1989

### Project Self-Sufficiency

In attempts to curtail additional persons and families from becoming homeless, the City's Economic Development Department runs "Project Self-Sufficiency" (PSS). The program, which first began in 1984 as a nationwide HUD demonstration project, is funded primarily through CDBG Grants and private sector donations. As its name suggests, the program aims to make persons independent of government subsidies and become self-sufficient. To meet this goal, PSS provides housing assistance in the form of Section 8 housing vouchers to low-income, single parents who are either currently homeless or at risk of becoming homeless. The program also matches the single parent with the appropriate agencies in the community to receive needed assistance such as food, clothing, childcare and job training. In order to qualify for the voucher program, persons must reside or work in Huntington Beach or come from a homeless shelter. Seventy percent of all persons who have participated in the program have been Huntington Beach residents, with the remaining 30 percent referred from sponsored shelters. When PSS is unable to provide services to those in need, the program refers these persons to other social services in the surrounding area.



## Area Social Service Providers

As most homeless individuals migrate to available services, social service agencies located outside the City also serve Huntington Beach homeless. Table 13 presents a listing of agencies which provide social services in the immediate area of the City. The City provides funding (\$43,000 in 1988) to several of these agencies for homeless services. As evidenced by this inventory, only the Episcopal Service Alliance, Saints Simon and Jude Catholic Church are located in the City's jurisdiction.

A new shelter targeted at assisting the City's numerous adolescent homeless is set to open later this year. The Huntington Youth Shelter will be located in a rehabilitated structure in Central Park, and will provide overnight accommodations and counseling to homeless and runaway youths. Maximum stay will be limited to two weeks, with the goal of reuniting the youths with family members.

Based on the relatively few existing emergency shelters in the Huntington Beach area and the number of homeless persons who reportedly cannot be accommodated by the existing social service providers, there appears to be an unmet need for an additional emergency shelter in Huntington Beach. While the Huntington Beach Youth Shelter will provide assistance to the City's adolescent homeless, there will remain a significant unmet need for homeless singles and families. Beyond an emergency shelter, the homeless service agencies stated that the most immediate and important need is for increased operational funds. The City can help address these identified needs by continuing to provide supplementary funding to existing social service providers, and by encouraging the development of a shelter. In addition, by providing decent and affordable housing opportunities, the City can help to curtail additional persons and families from becoming homeless.

TABLE 13  
SOCIAL SERVICE AGENCIES WHICH PROVIDE SERVICES  
FOR THE HOMELESS IN THE HUNTINGTON BEACH AREA

| Name, Location   | Description  |
|--|--|
| Project Self-Sufficiency,<br>Huntington Beach            | Provides housing vouchers (58). Assists with finding childcare, food, and clothing. Accommodates residents or workers of Huntington Beach or persons coming from shelters.   |
| Episcopal Service Alliance,<br>Huntington Beach          | Provides lodging, food, clothing, bus coupons, medical attention, help with payment of utilities, and counseling. Accommodations available for men, women, families on first come basis.   |
| Sts. Simon and Jude Catholic Church,<br>Huntington Beach | Provides food. Accommodates families on emergency per night basis, and only when church funds are available.   |
| Interval House,<br>Seal Beach                            | Provides 30-45 day shelter service and individual and group counseling to battered women and children.   |
| Salvation Army,<br>Santa Ana                             | Daytime Service provides food and housing referrals for families. Nighttime Service provides shelter for men, women, and families for 3 nights, offered on an emergency first come basis.  |
| Shelter For Homeless,<br>Westminster                     | Provides room and board for 15-day probation period in which time all boarders must find employment. If employment is verified, the stay may extend up to 120 days. Accommodations available for men only on a first come basis. |

TABLE 13  
 SOCIAL SERVICE AGENCIES WHICH PROVIDE SERVICES  
 FOR THE HOMELESS IN THE HUNTINGTON BEACH AREA  
 (Continued)

| Name, Location                                 | Description   |
|--|---|
| Orange Coast Interfaith Shelter,<br>Costa Mesa | Accommodations available primarily for couples, families, and single women with children. Maximum 25-30 individuals. Shelter provided on an emergency per night basis. Service includes food, shower, and laundry. Agency also offers two month program serving 12 families. Families required to save 80 percent of income during the time period. Counseling services offered in parenting, budgeting, and job referrals. |
| Amparo Youth Shelter,<br>Garden Grove          | Accommodates children between the ages of 11-17. Two-week in-residence counseling program dealing with problems associated with family, school, drugs, and alcohol. Follow-up 4-6 week after-care program. Shelter provided for children facing extreme homelessness.   |

Source: Cotton/Beland/Associates, Inc.





## 4.0 HOUSING UNIT CHARACTERISTICS

### 4.1 Housing Growth

While residential development in many urbanized areas is beginning to slow due to the diminishing supply of available land, Huntington Beach's housing stock has continued to experience substantial growth during the 1980s. In 1980, Huntington Beach had a housing stock of 63,686 units. By January 1988 that total had risen to 70,179, an increase of more than 10%. Comparing the residential growth rates of Huntington Beach with nearby jurisdictions (see Table 14), the City's 10.2% increase in housing units during the eight year period exceeded the housing growth experienced in these adjacent areas. However, the entire area's growth as a whole fell far short of the County's 15% increase between 1980 and 1988.

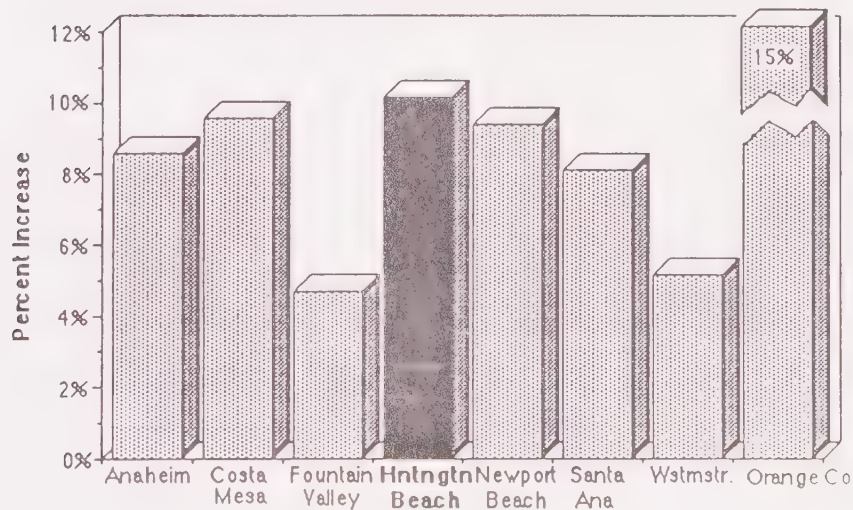
TABLE 14  
HOUSING TRENDS: HUNTINGTON BEACH AND SURROUNDING AREA  
1980-1988

| Jurisdiction     | No. of Housing Units |          | % Increase |
|------------------|----------------------|----------|------------|
|                  | 1980 (a)             | 1988 (b) |            |
| Anaheim          | 82,725               | 89,873   | 8.6%       |
| Costa Mesa       | 34,023               | 37,282   | 9.6%       |
| Fountain Valley  | 16,758               | 17,548   | 4.7%       |
| Huntington Beach | 63,686               | 70,179   | 10.2%      |
| Newport Beach    | 31,397               | 34,336   | 9.4%       |
| Santa Ana        | 67,180               | 72,629   | 8.1%       |
| Westminster      | 24,563               | 25,836   | 5.2%       |
| Orange County    | 721,514              | 829,406  | 15.0%      |

Source: (a) U.S. Dept. of Commerce, Bureau of the Census, 1980 Census Report;

(b) California Dept. of Finance, Controlled Population Estimates for 1-1-88

HOUSING TRENDS: HUNTINGTON BEACH  
AND SURROUNDING AREA 1980-1988



## 4.2 Housing Type and Tenure

During the sixties, vacant land was plentiful in Huntington Beach, and housing construction was characterized almost exclusively by large tracts of single family homes. During the early seventies, planned condominium developments and small multi-family rental units became popular in response to changing housing demands, land constraints, and market conditions. Housing growth in the eighties is characterized by multi-family apartments and condominiums, lower density duplex and triplex units, and some single family dwellings.

While Huntington Beach has experienced significant growth in its housing stock during the 1980s, the composition of the housing stock (single versus multi-family) has undergone little change. Single-family dwelling units continue to comprise the predominant housing type in the City, constituting three-fifths of all housing (refer to Table 15). Multi-family units, however, exhibited a greater rate of growth during the 1980-1988 period, increasing by 13 percent, as compared with 9 percent for single-family units. After tapering off in the mid-eighties, condominium activity has begun to increase again in Huntington Beach. Condominium units comprise over half of the City's multi-family housing stock, with two-thirds of these units located in the Southeast and Downtown/Old Town neighborhoods. Due to the limited amount of available land in the City for additional single-family development and the presence of multi-family zoning in many single-family neighborhoods, future residential development in Huntington Beach can be expected to consist largely of multi-family units.

TABLE 15  
CITY OF HUNTINGTON BEACH  
HOUSING TRENDS: 1980-1988

| Housing Type         | No. of Housing Units |             | Change 1980-1988 |       |
|----------------------|----------------------|-------------|------------------|-------|
|                      | 1980(a)              | 1988(b)     | #                | %     |
| Single-Family        | 38,644               | 42,326      | 3,682            | 9.5%  |
| Multi-Family         | 22,245               | 25,170      | 2,925            | 13.1% |
| Condominium          | --                   | (13,151)(c) |                  |       |
| Mobile Homes         | 2,667                | 2,683       | 16               | 0.6%  |
| Total Housing Units  | 63,686               | 70,179      | 6,493            | 10.2% |
| Total Occupied Units | 61,126               | 68,395      | 7,269            | 11.9% |
| Vacancy Rate         | 3.90%                | 2.54%       |                  |       |

Source: (a) U.S. Dept. of Commerce, Bureau of the Census, 1980 Census Report;  
(b) California Dept. of Finance, Controlled Population Estimates for 1-1-88;  
(c) Huntington Beach Dept. of Community Development.

The tenure distribution of a community's housing stock (owner versus renter) influences several aspects of the local housing market. Residential mobility is influenced by tenure, ownership housing evidencing a much lower turnover rate than rental housing. Housing overpayment, while faced by many households regardless of tenure, is far more prevalent among renters. Tenure preferences are primarily related to household income, composition, and age of the householder.

For the past several decades, Huntington Beach has been a predominantly owner-occupied community. However, the ratio of owner-occupied to renter-occupied units has been steadily declining since 1970, at which time 70 percent of the City's households were owner-occupied. In 1980, owner-occupied housing comprised 58 percent of the City's households, dropping further to 53 percent in 1988. Several factors have contributed to this trend. As illustrated in Table 15, the City has experienced a larger proportional increase in the construction of multi-family versus single-family units over the past decade. While a significant proportion of the multi-family housing stock is condominium units, a large number of these are rented out. Other factors which explain the continued reduction of owner-occupied units in the City include rapidly escalating home values, higher interest rates and speculation, and the increased mobility of households.

Among the City's four subareas, housing tenure varies significantly (refer to Figure 5). The greatest concentration of renter households is in the Downtown/Old Town subarea, with 68 percent of the units in this area occupied by renters. Its neighbor to the east, the Southeast subarea, has the largest owner-occupied population, totalling 15,245 (71%) owner households. Contributing to the Southeast's predominantly owner-occupied status is its large number of condominium units. The Harbor/Bolsa Chica neighborhood most closely mirrors the City's 1988 owner/renter ratio, with a mix of 57 percent to 43 percent. Housing tenure in North Central Huntington Beach is evenly split between owners and renters.

#### 4.3 Age and Condition of Housing Stock

Table 16 illustrates the period in which housing units were built in Huntington Beach. Reflective of the growth in Orange County, more than 80 percent of Huntington Beach's housing units have been constructed between 1960 and 1978. Housing development has maintained a steady pace into the 1980s, with an additional 9,011 dwelling units or 12.8% of the total housing stock being developed between 1979 and 1988. The majority of these units are in good structural condition, a result of the large number of planned subdivisions in addition to the relatively young age of these tracts.



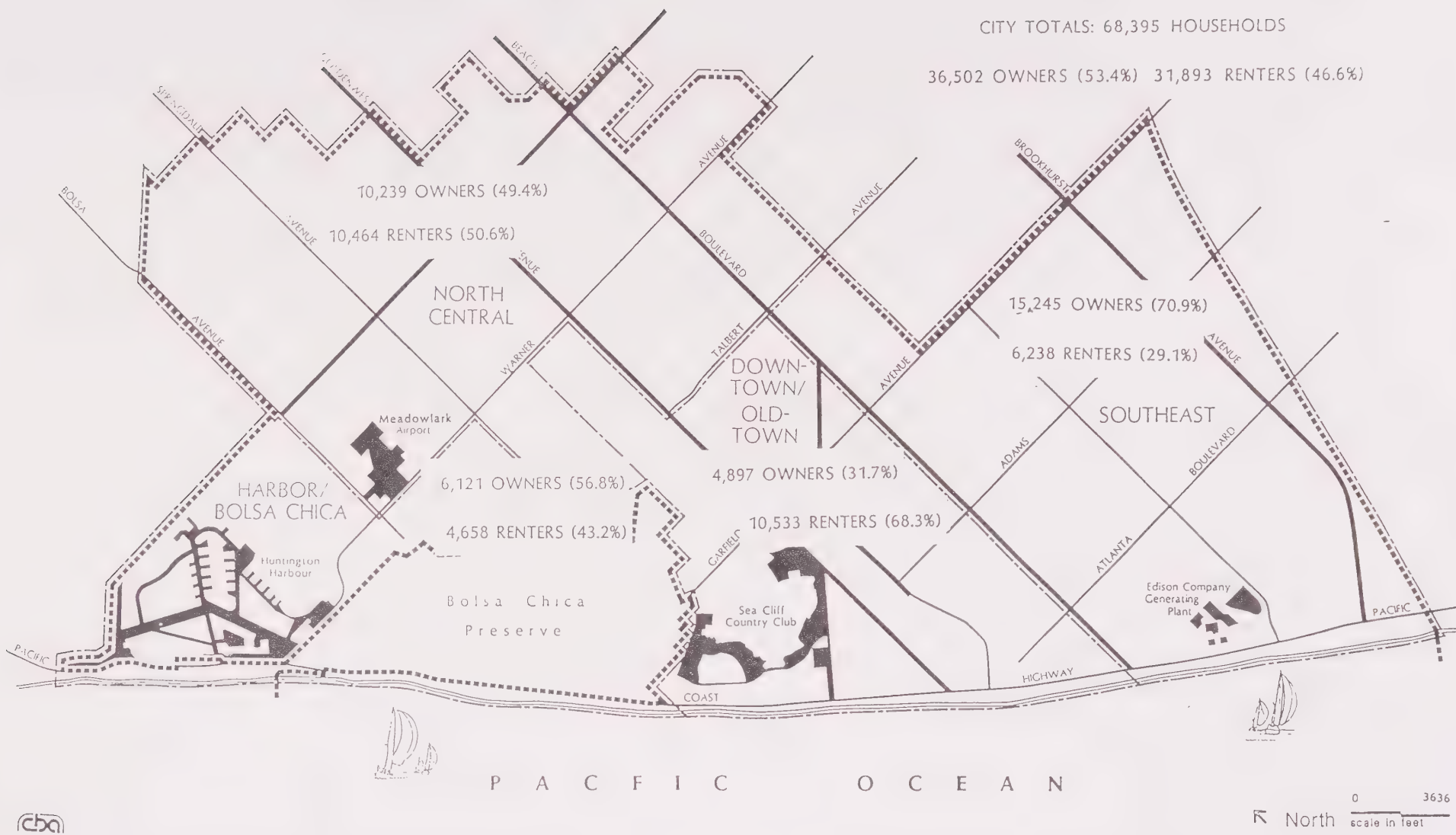


FIGURE 5  
HOUSING TENURE:1988



TABLE 16  
CITY OF HUNTINGTON BEACH  
AGE OF HOUSING STOCK: 1988

| Year Built            | # of Units            | % of Total            |
|-----------------------|-----------------------|-----------------------|
| 1939 or earlier       | 1,096                 | 1.6%                  |
| 1940 - 1949           | 879                   | 1.3%                  |
| 1950 - 1959           | 3,109                 | 4.4%                  |
| 1960 - 1969           | 28,662                | 40.8%                 |
| 1970 - 1974           | 16,725                | 23.8%                 |
| 1975 - 1978           | 10,697                | 15.2%                 |
| 1979 - March 1980     | 2,478                 | 3.5%                  |
| April 1980 - Jan 1988 | 6,533                 | 9.3%                  |
| Totals:               | 70,179 <sup>(a)</sup> | 100.0% <sup>(b)</sup> |

Source: (a) U.S. Dept. of Commerce, Bureau of the Census, 1980 Census Report;

(b) California Dept. of Finance, Controlled Population Estimates for 1-1-88

The accepted standard for major rehabilitation needs is after 30 years. In 1988, only 7 percent of Huntington Beach's housing stock was over 30 years old. However in ten years, nearly half (48.1%) of the City's housing stock will be over 30 years old. This would indicate the potential need for rehabilitation and continued maintenance of approximately 35,000 dwelling units by the year 2000.

#### Housing Assistance Plan

The City's Housing Assistance Plan (HAP) prepared in 1988 identified the number of housing units in Huntington Beach in substandard<sup>(a)</sup> condition, as presented in Table 17. The overall quality of the City's housing stock is relatively high, with only a small percentage of units needing replacement or rehabilitation. Of the City's 1988 housing stock, only

(a) The City uses the definition of substandard as established in the Uniform Building Code and is generally interpreted to mean a dysfunction or failure of any one major building system (e.g. roof, plumbing, electrical, or heating). The City also uses HUD Housing Quality Standards to determine substandard conditions when the UBC is not specific in certain areas.

2.3% (1,633 dwelling units) were classified as substandard. Of the identified properties, approximately 48 percent are owner-occupied (785 units), and 52 percent are renter-occupied (848 units). The HAP identifies 64 percent (1,047 units) of the City's substandard units as suitable for rehabilitation where necessary repairs are considered economically feasible; 546 of these units suitable for rehabilitation are owner-occupied, and 501 are renter-occupied.

TABLE 17  
CITY OF HUNTINGTON BEACH  
HOUSING STOCK CONDITIONS: 1988-1991

|  | Substandard<br>Units | % of<br>Total<br>Units(a) | Substandard Units<br>Suitable for Rehabilitation |            |
|--|----------------------|---------------------------|--|------------|
|  |                      |                           | Total  | Low Income |
| Owner  | 785                  | 1.9%                      | 546  | 142        |
| Renter   | 848                  | 3.0%                      | 501  | 213        |
| TOTALS:  | 1,633                | 2.3%                      | 1,047  | 355        |
| (a) Based on 70,179 total housing units as of January 1, 1988, and the owner/renter mix provided in the HAP. |                      |                           |  |            |

Source: City of Huntington Beach Housing Assistance Plan, 1988-1991

### Community and Neighborhood Enhancement Areas

The City has targeted seven neighborhoods characterized by high levels of housing deterioration for rehabilitation assistance. These neighborhoods consist of the Washington, Oakview, Liberty, Commodore, South Shores, Oldtown and Townlot communities, as identified in Figure 6. Through its Community and Neighborhood Enhancement Program, the City offers low interest rehabilitation loans as an incentive for unit upgrading, and in addition provides needed public improvements to the neighborhoods. The following discussion provides an overview of the housing characteristics in each of these areas, and a summary of previous and current housing rehabilitation efforts.



North 0 3636  
scale in feet

FIGURE 6  
COMMUNITY AND NEIGHBORHOOD ENHANCEMENT AREAS

## 1. Washington Enhancement Project

### Housing Mix:

| <u>Unit Type</u> | <u>Number of Units</u> |
|------------------|------------------------|
| Single-Family    | 16                     |
| Duplex           | 4                      |
| Tri-Plex         | -                      |
| Four-Plex        | 4                      |
| 5-9 Units        | 10                     |
| 10+ Units        | -                      |
|                  | ----                   |
| Total            | 34                     |

### Age of Units:

40-50 years old

### History and Current Status of Area:

The Washington Enhancement Project Area was created during the early 1980s. Rehabilitation efforts were sparked by a series of modest public improvements to streets and sidewalks which motivated local property owners to renovate their homes and yards without further City involvement.

While the City has offered low interest loans to aid homeowners in the rehabilitation of their property, only two loan applications have been received, and they were subsequently withdrawn. All residential improvements in this area have been initiated through private funds.

Public improvements to the Washington Enhancement Area were successfully completed in 1984. Low interest rehabilitation loans will continue to be offered to homeowners.

## 2. Liberty Enhancement Project Area

### Housing Mix:

| <u>Unit Type</u> | <u>Number of Units</u> |
|------------------|------------------------|
| Single-Family    | 42                     |
| Duplex           | 38                     |
| Tri-Plex         | 17                     |
| Four-Plex        | 44                     |
| 5-9 Units        | 19                     |
| 10+ Units        | -                      |
|                  | ----                   |
| Total            | 160                    |

### Age of Units:

30-35 years old



### History and Current Status of Area:

The Liberty Enhancement Project Area began in the mid 1980s. During the previous years, the area received public improvements to the existing streets and sidewalks. The City also issued three loans for private rehabilitation efforts.

Currently, there is moderate renovation activity in the area. Three more loans have been granted by the City to privately rehabilitate a total of 10 units. Also, Liberty area residents recently abandoned and filled in the Carey Water Tract Well because of water contamination. All area residents are now hooked up to the City water system. This transition from well water to City water was financed through CDBG funds and coordinated through the Economic Development Department.

Overall, rehabilitation efforts in the area have been successful based on a mix of public and private funding. The City expects completion of public improvements to the Liberty Enhancement Area within the next 1-2 years.

### **3. Commodore Enhancement Project Area**

#### Housing Mix:

| <u>Unit Type</u> | <u>Number of Units</u> |
|------------------|------------------------|
| Single-Family    | -                      |
| Duplex           | -                      |
| Tri-Plex         | -                      |
| Four-Plex        | 80                     |
| 5-9 Units        | -                      |
| 10+ Units        | -                      |
|                  | -----                  |
| Total            | 80                     |

#### Age of Units:

26 years old

### History and Current Status of Area:

Before rehabilitation began in 1986, Commodore Circle was one of the most blighted areas in Huntington Beach. Since then, the City has played a major role in its rehabilitation. Thus far, the City has granted loans for rehabilitation to 19 of the 20 apartment buildings in the area. The City has also provided Commodore Circle with a repaved street and alleyway, new blockwalls, a new street lighting system, and improvements to the area's sidewalks.

Overcrowding was another concern in Commodore Circle, with several housing units occupied by two and three families. In an attempt to reduce unit overcrowding, qualified tenants were offered Section 8 housing subsidies to relocate to units in other parts of the City.

Rehabilitation efforts in Commodore Circle are still in progress. Although rehabilitation activities are not yet complete, the efforts have dramatically improved the appearance and quality of housing in Commodore Circle for area residents. Also, a recreation lot development as neighborhood recreation area will be completed by 1990.

#### 4. Townlot Enhancement Project Area

##### Housing Mix:

| <u>Unit Type</u> | <u>Number of Units</u> |
|------------------|------------------------|
| Single-Family    | 979                    |
| Duplex           | 468                    |
| Tri-Plex         | 160                    |
| Four-Plex        | 614                    |
| 5-9 Units        | 608                    |
| 10+ Units        | 379                    |
|                  | -----                  |
| Total            | 3,208                  |

##### Age of Units:

70 years to current construction

##### History of Currrent Status of Area:

The units in the Townlot Redevelopment Area were originally constructed in the 1920s and 1930s. As the City grew and public and private interest focused on new development, this area became neglected and began deteriorating. It was not until the early 1970s that a City-initiated rehabilitation effort was made. The City offered low interest loans to property owners to improve their property. While the City has offered low interest loans for property improvements, most of the redevelopment efforts are now privately funded.

Rehabilitation efforts are continuing in the Townlot area. As in the past, the City continues to provide low interest loans for rehabilitation efforts in the area. The City has also made several public improvements throughout the Townlot area such as improvements and repairs to existing roads. The City has also made an effort to widen every alleyway to 20 feet.

Recent increases in land values and new home sales prices has stimulated privately-financed rehabilitation in this area.

## 5. South Shore Enhancement Area

### Housing Mix:

| <u>Unit Type</u> | <u>Number of Units</u> |
|------------------|------------------------|
| Single-Family    | 636                    |
| Duplex           | -                      |
| Tri-Plex         | -                      |
| Four-Plex        | -                      |
| 5-9 Units        | -                      |
| 10+ Units        | -                      |
|                  | -----                  |
| Total            | 636                    |

### Age of Units:

25 years old

### History and Current Status of Area:

The South Shore Enhancement Area, originally a H.U.D. development, has remained an active rehabilitation area since its establishment as a rehabilitation target area during the 1980s. Both public and private funding have contributed to the rehabilitation effort. The City has granted more than 50 low interest loans to property owners wishing to rehabilitate their property. Recent increases in property values have stimulated privately-financed property upgrades and home improvement projects.

Overall, the South Shore enhancement project has been a success. However, despite City encouragement through rehabilitation subsidy, there is still a small percentage of property owners who have not made a concerted effort to rehabilitate their property.

## 6. Oakview Redevelopment Project Area

### Housing Mix:

| <u>Unit Type</u> | <u>Number of Units</u> |
|------------------|------------------------|
| Single-Family    | 33                     |
| Duplex           | 47                     |
| Tri-Plex         | 18                     |
| Four-Plex        | 390                    |
| 5-9 Units        | 158                    |
| 10+ Units        | -                      |
|                  | -----                  |
| Total            | 646                    |

### Age of Units:

25-30 years old

### History and Current Status of Area:

The Oakview Redevelopment Project Area was formed in 1982 and has stimulated substantial rehabilitation of the area. Public improvements include new landscaping, retaining walls, sidewalks, street lighting, street alignments and alleyway improvements. Through City efforts, the Koledo Lane Demonstration Project was implemented to rehabilitate 16 4-plex units to meet HUD Section 8 standards. The project featured conversion of a vacated street into a community park as well as replacement of existing carports by enclosed garages. Property owners of these new garages were allowed to construct a fifth unit over the new garages. The City has also granted approximately 15 low interest loans for improving 58 existing units. Jacquelyn Lane Projects, currently under construction, will provide new public improvements to expand on the Koledo Lane Demonstration Project. These improvements include modifications to landscaping and open space.

Most of the rehabilitation efforts in this area to date have been focused on the southern half of the Oakview area, which abuts Slater Avenue. However, according to the five-year project plan for Oakview, the focus of redevelopment will soon shift to northern Oakview. In 1990, many of the same types of public improvements and general renovations which are occurring in the southern Oakview area are scheduled for the northern Oakview area.

### **7. Oldtown Enhancement Project Area**

#### Housing Mix:

| <u>Unit Type</u> | <u>Number of Units</u> |
|------------------|------------------------|
| Single-Family    | 758                    |
| Duplex           | 274                    |
| Tri-Plex         | 284                    |
| Four-Plex        | 225                    |
| 5-9 Units        | 260                    |
| 10+ Units        | 207                    |
|                  | -----                  |
| Total            | 2,008                  |

#### Age of Units:

70 years to current construction

### History and Current Status of Area:

Like the Townlot area, housing units in the Oldtown area were constructed in the 1920s and 1930s and experienced the same neglect which led to the deterioration of the area. Neighborhood Enhancement has brought about substantial housing rehabilitation to the area.



## 4.4 Housing Costs

### Ownership Housing

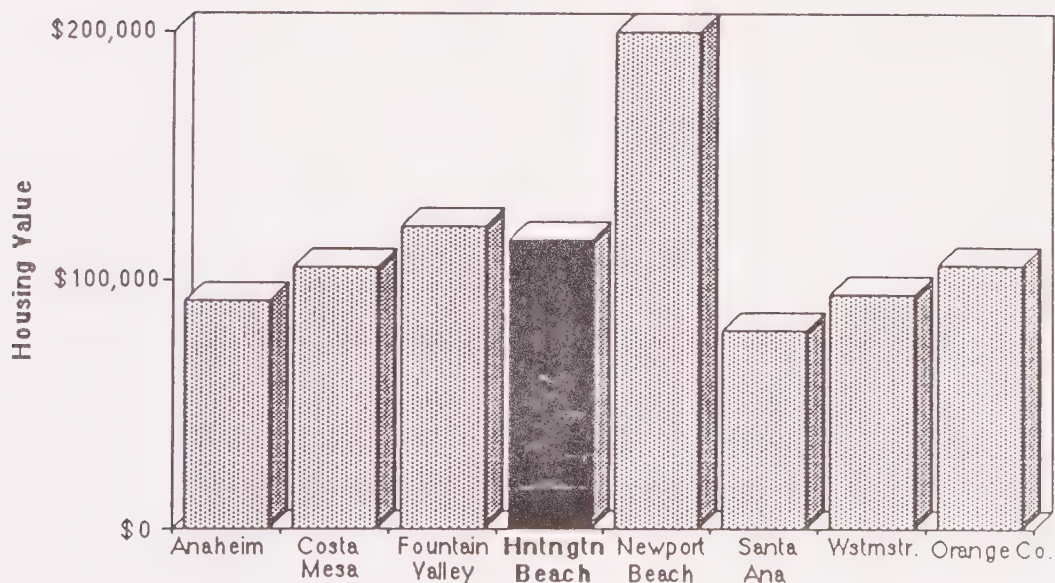
In 1980, the median home value in Huntington Beach was \$116,900. As illustrated in Table 18, for-sale housing in Huntington Beach was nearly 10 percent higher than the County median. The median home value of the majority of surrounding jurisdictions fell below the County median. In comparison to the adjacent jurisdictions, only the median home value in the Cities of Fountain Valley and Newport Beach exceeded Huntington Beach's for-sale housing value.

TABLE 18  
HOUSING VALUES: HUNTINGTON BEACH AND SURROUNDING AREAS  
1980

| Jurisdiction     | Median Owner-Occupied Housing Value |
|------------------|-------------------------------------|
| Anaheim          | \$92,300                            |
| Costa Mesa       | \$106,000                           |
| Fountain Valley  | \$122,300                           |
| Huntington Beach | \$116,900                           |
| Newport Beach    | \$200,000+                          |
| Santa Ana        | \$80,000                            |
| Westminster      | \$95,000                            |
| Orange County    | \$106,800                           |

Source: Dept. of Commerce, Bureau of the Census,  
1980 Census Report

HOUSING VALUES: HUNTINGTON BEACH  
AND SURROUNDING AREAS 1980



## Single-Family Housing

In order to obtain up-to-date information on current housing value in Huntington Beach, statistics have been compiled on the sales prices of all single-family homes sold in the City in 1988. Sales activity was high during this period, with nearly 2,900 residences sold. Tabulations of sales information have been produced for both the City as a whole and for its four subareas, and are presented in Tables 19 to 23.

Table 19 illustrates a dramatic 90 percent increase between 1980 and 1988 in the median sales price of single-family homes. Median selling prices ranged from \$165,000 for a one-bedroom house to \$275,000 for a house with 5+ bedrooms. While median sales prices would indicate a relatively narrow price range for single-family homes, a significant number of homes were available at both the lower and upper end of the price ranges. At the low end of the sales range, more than 200 homes sold for less than \$150,000. At the other extreme, approximately 150 expensive, luxury homes sold for prices in excess of \$500,000, with ten of these homes commanding prices of more than \$1,000,000. Median home size ranged from just over 600 square feet for a one-bedroom dwelling to nearly 2,500 square feet for a dwelling with 5+ bedrooms, indicating a range in unit sizes available to meet the needs of Huntington Beach's diverse households.

**TABLE 19**  
**CITY OF HUNTINGTON BEACH**  
**SINGLE-FAMILY RESIDENTIAL SALES: 1988**

| Number of<br>Bedrooms | Number<br>Sold | Home Prices |           |                         |
|-----------------------|----------------|-------------|-----------|-------------------------|
|                       |                | Median      | Average   | Range                   |
| 1                     | 24             | \$165,000   | \$166,675 | \$63,000 - \$365,000    |
| 2                     | 276            | \$188,500   | \$219,171 | \$71,500 - \$875,000    |
| 3                     | 1,253          | \$199,900   | \$229,158 | \$63,000 - \$1,325,000  |
| 4                     | 1,143          | \$255,000   | \$292,405 | \$73,500 - \$2,400,000  |
| 5+                    | 189            | \$275,000   | \$344,780 | \$159,000 - \$1,000,000 |
| Totals                | 2,885          | \$222,000   | \$260,315 | \$63,000 - \$2,400,000  |

| Number of<br>Bedrooms | Square Footage |         |               |
|-----------------------|----------------|---------|---------------|
|                       | Median         | Average | Range         |
| 1                     | 615            | 738     | 441 - 1,952   |
| 2                     | 1,224          | 1,396   | 527 - 3,012   |
| 3                     | 1,392          | 1,561   | 928 - 5,252   |
| 4                     | 1,918          | 2,038   | 984 - 7,640   |
| 5+                    | 2,490          | 2,572   | 1,222 - 5,105 |
| Totals                | 1,630          | 1,793   | 441 - 7,640   |

Source: California Market Data Cooperatives, Inc., Single-Family Residential Sales Data Quarterly Reports for 3/88 - 12/88.  
Compiled by Cotton/Beland/Associates, Inc.

The following sections discuss the characteristics of single-family sales in each of the four subareas in the City. Figure 7 depicts level of single-family sales activity, as well as unit sales prices in each of the four subareas in the City.

#### DOWNTOWN/OLD TOWN:

Homes sold in Downtown/Old Town comprised 19 percent of all sales in Huntington Beach in 1988. Homes ranged in value from a median of \$185,000 for a one-bedroom dwelling to \$535,250 for a dwelling with 5+ bedrooms, representing the widest price range in the City. The median selling price for a single-family home in this subarea is \$260,500, substantially higher than the City-wide median of \$222,000. The large median home size of 1,885 square feet lends further evidence homes sold in the Downtown/Old Town area are generally larger and more expensive than in most other areas of Huntington Beach.

TABLE 20  
CITY OF HUNTINGTON BEACH  
SINGLE-FAMILY RESIDENTIAL SALES: DOWNTOWN/OLD TOWN

| Number of Bedrooms | Number Sold | Median    | Home Prices<br>Average | Range                 |
|--------------------|-------------|-----------|------------------------|-----------------------|
| 1                  | 16          | \$185,000 | \$202,250              | \$70,500 - \$365,000  |
| 2                  | 118         | \$267,500 | \$260,136              | \$127,600 - \$469,500 |
| 3                  | 269         | \$245,000 | \$270,748              | \$129,900 - \$712,400 |
| 4                  | 111         | \$275,000 | \$333,567              | \$122,000 - \$969,500 |
| 5+                 | 36          | \$535,250 | \$543,575              | \$229,000 - \$995,500 |
| Totals             | 550         | \$260,500 | \$297,418              | \$70,500 - \$995,500  |

| Number of Bedrooms | Median | Square Footage<br>Average | Range         |
|--------------------|--------|---------------------------|---------------|
| 1                  | 726    | 816                       | 441 - 1,952   |
| 2                  | 1,561  | 1,624                     | 628 - 2,727   |
| 3                  | 1,794  | 1,842                     | 960 - 3,543   |
| 4                  | 2,151  | 2,309                     | 1,207 - 4,196 |
| 5+                 | 3,752  | 2,506                     | 1,885 - 5,105 |
| Totals             | 1,885  | 1,969                     | 441 - 5,105   |

Source: California Market Data Cooperatives, Inc., Single-Family Residential Sales Data Quarterly Reports for 3/88 - 12/88.  
Compiled by Cotton/Beland/Associates, Inc.

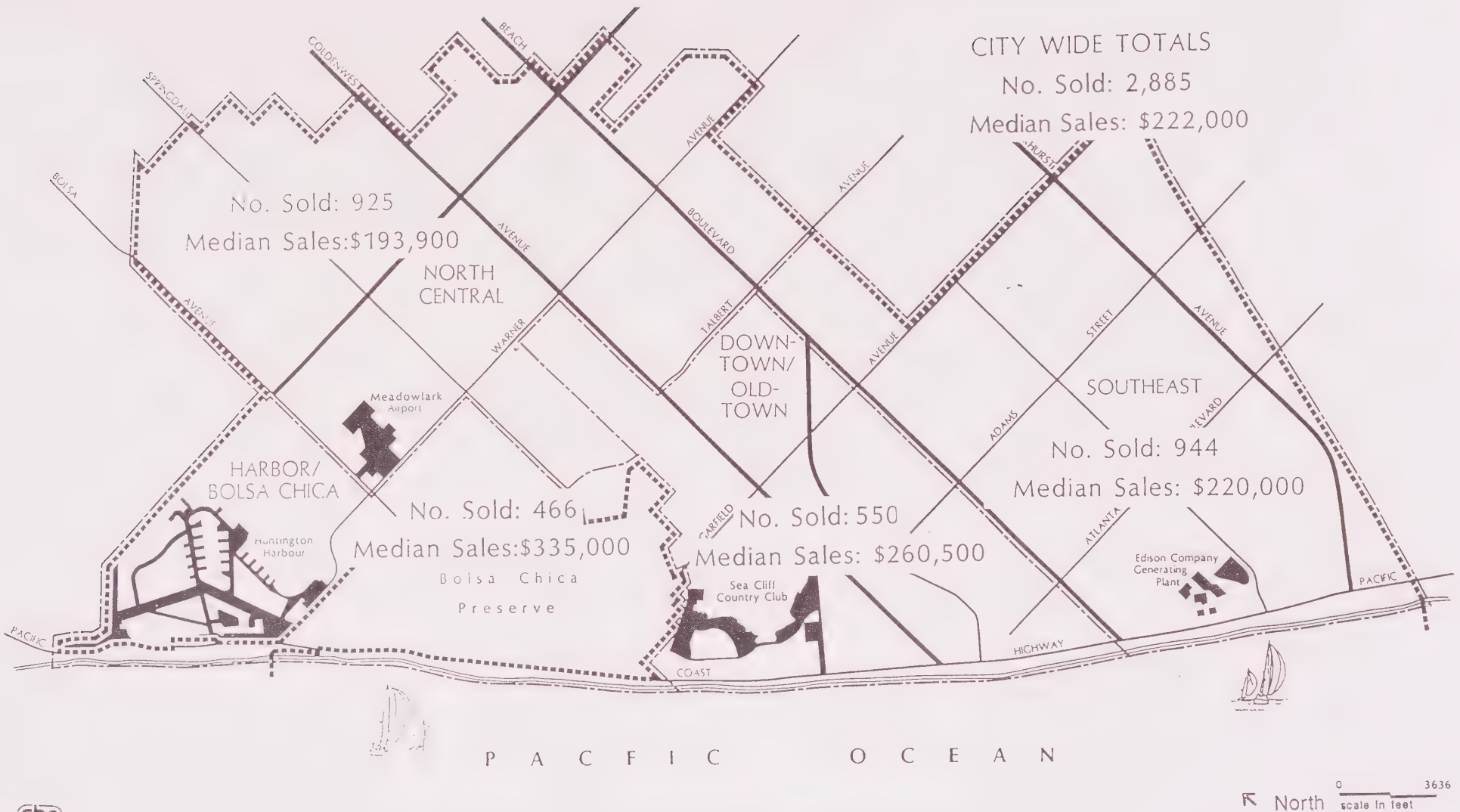


FIGURE 7  
MEDIAN SINGLE FAMILY RESIDENTIAL SALES PRICES:1988



## HARBOR/BOLSA CHICA:

Although the Harbor/Bolsa Chica neighborhood comprised the smallest portion (16%) of single-family homes sold during the time period, it was the location of the most expensive single-family home sales in Huntington Beach. With a median sales price of \$335,000, this area exceeded the median sales price of the City by \$113,000. All ten of Huntington Beach's one million dollar-plus homes sold in 1988 were located in the Harbor/Bolsa Chica subarea. Sales ranged from a median of \$250,000 for a one-bedroom home to \$475,000 for a home with 5+ bedrooms. With a median home size of 2,099 square feet, unit sizes in the Harbor/Bolsa Chica neighborhood were significantly larger than in other parts of the City.

TABLE 21  
CITY OF HUNTINGTON BEACH  
SINGLE-FAMILY RESIDENTIAL SALES: HARBOR/BOLSA CHICA

| Number of Bedrooms | Number Sold | Median    | Home Prices |                         |
|--------------------|-------------|-----------|-------------|-------------------------|
|                    |             |           | Average     | Range                   |
| 1                  | 1           | \$250,000 | \$250,000   | \$250,000 - \$250,000   |
| 2                  | 47          | \$225,000 | \$273,874   | \$97,000 - \$875,000    |
| 3                  | 152         | \$241,000 | \$333,522   | \$108,500 - \$1,325,000 |
| 4                  | 249         | \$375,000 | \$434,469   | \$176,000 - \$2,400,000 |
| 5+                 | 17          | \$475,000 | \$552,441   | \$225,000 - \$1,000,000 |
| Totals             | 466         | \$335,000 | \$389,253   | \$97,000 - \$2,400,000  |

| Number of Bedrooms | Median | Square Footage |               |
|--------------------|--------|----------------|---------------|
|                    |        | Average        | Range         |
| 1                  | 482    | 482            | 482 - 482     |
| 2                  | 1,547  | 1,460          | 527 - 3,012   |
| 3                  | 1,808  | 1,859          | 1,031 - 5,252 |
| 4                  | 2,423  | 2,455          | 1,268 - 7,640 |
| 5+                 | 3,261  | 3,264          | 2,235 - 4,897 |
| Totals             | 2,099  | 2,186          | 482 - 7,640   |

Source: California Market Data Cooperatives, Inc., Single-Family Residential Sales Data Quarterly Reports for 3/88 - 12/88.  
Compiled by Cotton/Beland/Associates, Inc.

# NORTH CENTRAL:

North Central Huntington Beach was the location for 32 percent of all homes sold in 1988. This area exhibits the lowest median sales price in the City, \$193,900, and the smallest range in selling prices, ranging from a median of \$154,900 for a two-bedroom unit to \$255,000 for a unit with 5+ bedrooms. This area also contains the smallest sized homes, with a median home size of 1,392 square feet, along with the smallest range in median home sizes. This data indicates a fairly homogeneous, lower-priced housing stock in North Central Huntington Beach.

TABLE 22  
CITY OF HUNTINGTON BEACH  
SINGLE-FAMILY RESIDENTIAL SALES: NORTH CENTRAL

| Number of<br>Bedrooms | Number<br>Sold | Home Prices |           |                       |
|-----------------------|----------------|-------------|-----------|-----------------------|
|                       |                | Median      | Average   | Range                 |
| 1                     | 0              | \$0         | \$0       | \$0 - \$0             |
| 2                     | 26             | \$154,900   | \$168,100 | \$90,000 - \$375,000  |
| 3                     | 462            | \$185,000   | \$193,858 | \$63,000 - \$435,000  |
| 4                     | 392            | \$200,000   | \$218,214 | \$107,500 - \$395,000 |
| 5+                    | 45             | \$225,000   | \$259,951 | \$178,000 - \$490,000 |
| Totals                | 925            | \$193,900   | \$206,671 | \$63,000 - \$490,000  |

| Number of<br>Bedrooms | Square Footage |         |               |
|-----------------------|----------------|---------|---------------|
|                       | Median         | Average | Range         |
| 1                     | 0              | 0       | 0 - 0         |
| 2                     | 1,100          | 1,220   | 782 - 2,229   |
| 3                     | 1,285          | 1,369   | 928 - 2,229   |
| 4                     | 1,493          | 1,707   | 1,134 - 7,274 |
| 5+                    | 1,910          | 2,120   | 1,222 - 3,151 |
| Totals                | 1,392          | 1,544   | 782 - 7,274   |

Source: California Market Data Cooperatives, Inc., Single-Family Residential Sales Data Quarterly Reports for 3/88 - 12/88.  
Compiled by Cotton/Beland/Associates, Inc.

## SOUTHEAST:

Units sold in Southeast Huntington Beach comprised 33 percent of all single-family home sales in 1988. Of all four neighborhoods, the Southeast most closely mirrors the City-wide totals. Selling prices ranged from a median of \$75,000 for a one-bedroom unit to \$269,500 for a dwelling with 5+ bedrooms. Median homes sizes ranged from 615 square feet for a one-bedroom unit to 2,275 square feet for a dwelling with 5+ bedrooms. Overall sales prices in the area were slightly lower than those City-wide, as were the size of units sold. This data indicates that Southeast Huntington Beach on average provides smaller, yet more affordable units for homebuyers.

TABLE 23  
CITY OF HUNTINGTON BEACH  
SINGLE-FAMILY RESIDENTIAL SALES: SOUTHEAST

| Number of Bedrooms | Number Sold | Median    | Home Prices |                       |
|--------------------|-------------|-----------|-------------|-----------------------|
|                    |             |           | Average     | Range                 |
| 1                  | 7           | \$75,000  | \$73,457    | \$63,000 - \$78,700   |
| 2                  | 85          | \$153,000 | \$147,676   | \$71,500 - \$281,500  |
| 3                  | 370         | \$199,500 | \$200,126   | \$84,500 - \$555,000  |
| 4                  | 391         | \$258,000 | \$264,063   | \$73,500 - \$870,000  |
| 5+                 | 91          | \$269,500 | \$269,291   | \$159,000 - \$400,000 |
| Totals             | 944         | \$220,000 | \$227,614   | \$63,000 - \$870,000  |

| Number of Bedrooms | Median | Square Footage |               |
|--------------------|--------|----------------|---------------|
|                    |        | Average        | Range         |
| 1                  | 615    | 569            | 570 - 615     |
| 2                  | 1,010  | 1,097          | 873 - 2,239   |
| 3                  | 1,355  | 1,473          | 961 - 3,264   |
| 4                  | 1,958  | 2,028          | 984 - 3,370   |
| 5+                 | 2,275  | 2,297          | 1,740 - 3,055 |
| Totals             | 1,624  | 1,742          | 570 - 3,370   |

Source: California Market Data Cooperatives, Inc., Single-Family Residential Sales Data Quarterly Reports for 3/88 - 12/88.  
Compiled by Cotton/Beland/Associates, Inc.

## Condominium Units

In addition to single-family detached homes, the 13,000 condominium units in Huntington Beach offer an alternative option for home ownership. As illustrated in Table 24, 825 condominiums were sold in the City in 1988. These units represent 22% of the total 3,710 ownership housing units sold in Huntington Beach during this time period. Two and three bedroom units comprised the majority of available condominiums, accounting for nearly 85% of the units sold. Sales prices ranged from a median of \$116,500 for a one-bedroom unit, to a median of \$272,000 for a unit with 4+ bedrooms. In contrast to single-family home prices, condominium sales prices were on average \$32,000 - \$50,000 less expensive for one- to three-bedroom units, and \$88,000 less expensive for four-bedroom units. The City's housing stock of condominiums thus provides a more affordable home-ownership alternative to single-family homes, permitting a greater number of households to afford the option of home purchase. The smaller unit sizes of condominiums are well-suited to the City's small 1-3 person households.

**TABLE 24**  
**CITY OF HUNTINGTON BEACH**  
**CONDOMINIUM SALES ACTIVITY: 1988**

| Number of Bedrooms | Number Sold | Median    | Home Prices<br>Average | Range                |
|--------------------|-------------|-----------|------------------------|----------------------|
| 1                  | 100         | \$116,500 | \$116,373              | \$50,000 - \$390,000 |
| 2                  | 489         | \$161,900 | \$174,920              | \$74,000 - \$930,000 |
| 3                  | 202         | \$179,950 | \$196,251              | \$80,000 - \$975,000 |
| 4+                 | 34          | \$272,000 | \$256,776              | \$95,000 - \$840,000 |
| Totals             | 825         | \$158,000 | \$176,402              | \$50,000 - \$975,000 |

| Number of Bedrooms | Median | Square Footage<br>Average | Range         |
|--------------------|--------|---------------------------|---------------|
| 1                  | 776    | 798                       | 471 - 2,750   |
| 2                  | 1,194  | 1,277                     | 513 - 2,543   |
| 3                  | 1,414  | 1,510                     | 921 - 2,750   |
| 4+                 | 2,083  | 2,071                     | 1,245 - 3,260 |
| Totals             | 1,307  | 1,307                     | 471 - 3,260   |

Source: California Market Data Cooperative, Inc.  
Condominium Sales Data Quarterly Reports for 3/88-12/88.  
Compiled by Cotton/Beland/Associates, Inc.



The level of condominium activity, as well as unit sales prices, varies among geographic areas in Huntington Beach, as depicted in Figure 8. The following sections discuss the characteristics of condominium sales in each of the four subareas in the City.

DOWNTOWN/OLD TOWN:

In 1988, the Downtown/Old Town subarea accounted for the greatest number of condominium sales in the City, comprising 39 percent of all units sold. With a median sales price of \$175,000, this area had the most expensive condominium sales in the City. Sales prices ranged from a median of \$116,000 for a one-bedroom dwelling to \$284,500 for a 4+ bedroom dwelling. As could be expected, unit sizes were also significantly larger in the Downtown/Old Town subarea than in other parts of the City.

TABLE 25  
CITY OF HUNTINGTON BEACH  
CONDOMINIUM SALES: DOWNTOWN/OLD TOWN

| Number of Bedrooms | Number Sold | Median    | Home Prices<br>Average | Range                 |
|--------------------|-------------|-----------|------------------------|-----------------------|
| 1                  | 42          | \$116,000 | \$113,043              | \$50,000 - \$175,000  |
| 2                  | 203         | \$170,000 | \$183,252              | \$74,000 - \$372,500  |
| 3                  | 67          | \$197,900 | \$206,763              | \$124,600 - \$369,900 |
| 4+                 | 10          | \$284,500 | \$269,070              | \$169,900 - \$294,900 |
| Totals             | 322         | \$175,000 | \$181,651              | \$50,000 - \$369,900  |

| Number of Bedrooms | Median | Square Footage<br>Average | Range         |
|--------------------|--------|---------------------------|---------------|
| 1                  | 776    | 772                       | 536 - 970     |
| 2                  | 1,206  | 1,333                     | 736 - 2,209   |
| 3                  | 1,579  | 1,653                     | 1,112 - 2,690 |
| 4+                 | 2,535  | 2,447                     | 2,070 - 2,559 |
| Totals             | 1,235  | 1,361                     | 536 - 2,690   |

Source: California Market Data Cooperative, Inc.  
Condominium Sales Data Quarterly Reports for 3/88-12/88.  
Compiled by Cotton/Beland/Associates, Inc.

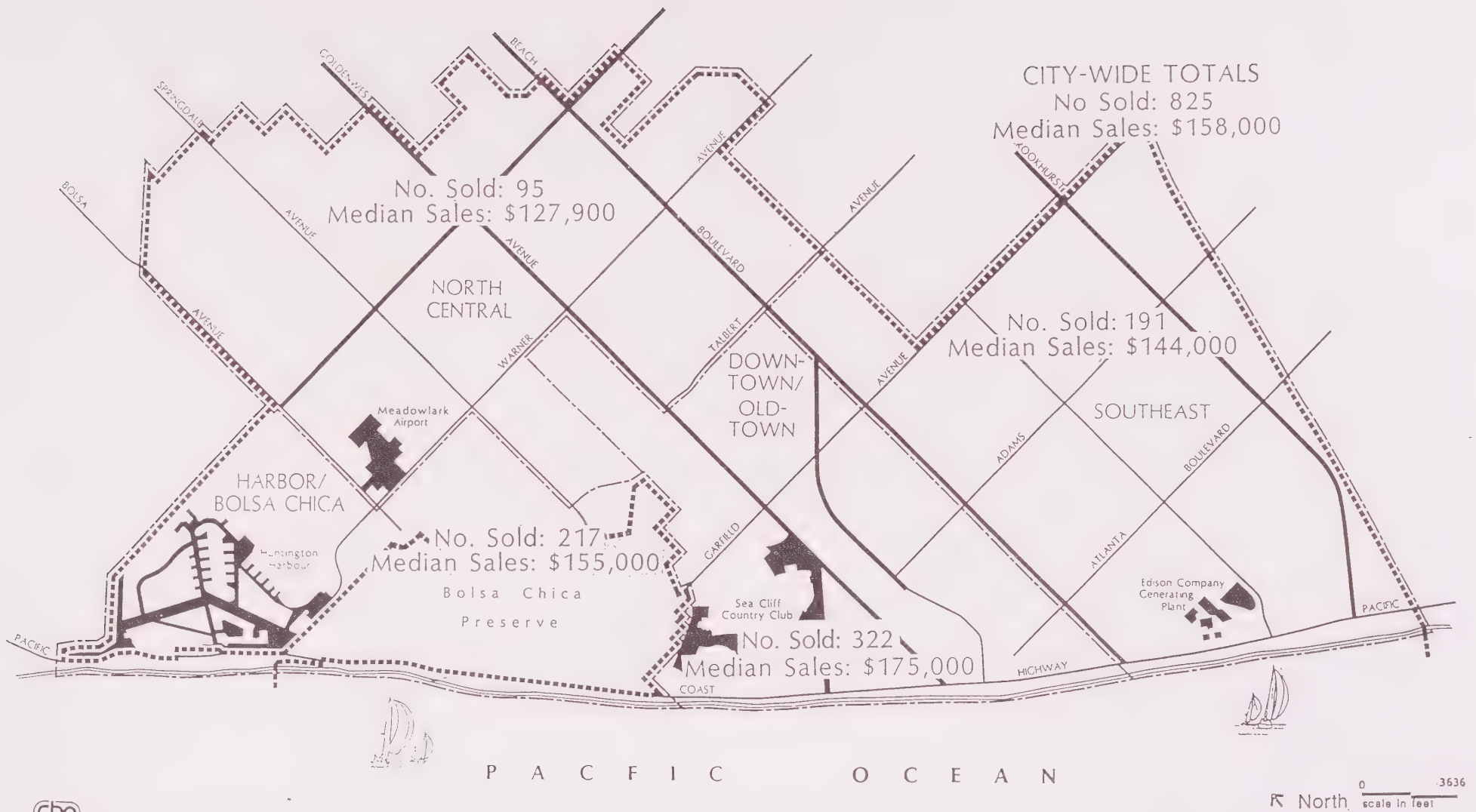


FIGURE 8  
 MEDIAN CONDOMINIUM SALES PRICES: 1988

## HARBOR/BOLSA CHICA:

The Harbor/Bolsa Chica subarea was the location for 26% of all condominiums sold. Just as with single-family home sales, this area contained some of the most expensive condominium units in the City, with 15 condominiums selling for prices in excess of \$450,000. Sales prices ranged from a median of \$120,000 for a one-bedroom unit to \$363,000 for a dwelling with 4+ bedrooms. Although unit sizes on average were not the largest in the City, the Harbor/Bolsa Chica neighborhood offered condominium buyers the widest choice in unit size, ranging from 471 square feet for a one-bedroom dwelling to 3,260 square feet for a four-bedroom dwelling.

TABLE 26  
CITY OF HUNTINGTON BEACH  
CONDOMINIUM SALES: HARBOR/BOLSA CHICA

| Number of<br>Bedrooms | Number Sold | Median    | Home Prices<br>Average | Range                 |
|-----------------------|-------------|-----------|------------------------|-----------------------|
| 1                     | 39          | \$120,000 | \$126,744              | \$73,500 - \$284,000  |
| 2                     | 117         | \$169,000 | \$201,780              | \$86,000 - \$930,000  |
| 3                     | 53          | \$235,900 | \$262,594              | \$103,000 - \$975,000 |
| 4+                    | 8           | \$363,500 | \$335,040              | \$68,400 - \$840,000  |
| Totals                | 217         | \$155,000 | \$210,377              | \$68,400 - \$975,000  |

| Number of<br>Bedrooms | Median | Square Footage<br>Average | Range         |
|-----------------------|--------|---------------------------|---------------|
| 1                     | 756    | 819                       | 471 - 2,750   |
| 2                     | 1,257  | 1,305                     | 513 - 2,543   |
| 3                     | 1,543  | 1,622                     | 1,921 - 2,750 |
| 4+                    | 2,971  | 2,148                     | 1,895 - 3,260 |
| Totals                | 1,270  | 1,326                     | 471 - 3,260   |

Source: California Market Data Cooperative, Inc.  
Condominium Sales Data Quarterly Reports for 3/88-12/88.  
Compiled by Cotton/Beland/Associates, Inc.

# NORTH CENTRAL:

Condominiums sold in North Central Huntington Beach comprised the smallest portion (11.5%) of units sold in 1988. Of the 95 units sold, 86% were either two- or three-bedroom units. This area exhibits the lowest median sales price in the City, \$175,000, as well as the lowest average, \$138,074. The North Central neighborhood also contains the smallest sized condominiums with an average unit size of 1,113 square feet.

TABLE 27  
CITY OF HUNTINGTON BEACH  
CONDOMINIUM SALES: NORTH CENTRAL

| Number of<br>Bedrooms | Number Sold | Median    | Home Prices<br>Average | Range                 |
|-----------------------|-------------|-----------|------------------------|-----------------------|
| 1                     | 12          | \$94,500  | \$106,392              | \$65,000 - \$225,000  |
| 2                     | 62          | \$128,000 | \$135,934              | \$87,000 - \$390,000  |
| 3                     | 20          | \$129,500 | \$161,120              | \$102,000 - \$390,000 |
| 4+                    | 1           | \$190,000 | \$190,000              | \$190,000 - \$190,000 |
| Totals                | 95          | \$127,900 | \$138,074              | \$65,000 - \$390,000  |

| Number of<br>Bedrooms | Median | Square Footage<br>Average | Range         |
|-----------------------|--------|---------------------------|---------------|
| 1                     | 794    | 846                       | 712 - 1,184   |
| 2                     | 1,995  | 1,071                     | 752 - 2,591   |
| 3                     | 1,227  | 1,391                     | 1,134 - 2,441 |
| 4+                    | 2,342  | 2,342                     | 2,342 - 2,342 |
| Totals                | 1,059  | 1,113                     | 712 - 2,441   |

Source: California Market Data Cooperative, Inc.  
Condominium Sales Data Quarterly Reports for 3/88-12/88.  
Compiled by Cotton/Beland/Associates, Inc.



## SOUTHEAST:

Southeast Huntington Beach was the location for 23.2% of condominiums sold in 1988. Although 90% of the 191 units sold were either two- or three-bedroom units, the Southeast still had the greatest number (15) of condominium dwellings with 4+ bedrooms. Units ranged in price from a median of \$94,000 for a one-bedroom dwelling to \$154,000 for a two-bedroom dwelling, the smallest price range in the City. Overall median sales prices (\$144,000) were slightly lower in this area than those City-wide, as were the size of units sold (1,888 square feet). This data indicates the the Southeast offers slightly smaller, yet more affordable units, well-suited for the City's smaller households.

TABLE 28  
CITY OF HUNTINGTON BEACH  
CONDOMINIUM SALES: SOUTHEAST

| Number of<br>Bedrooms | Number Sold | Median    | Home Prices<br>Average | Range                |
|-----------------------|-------------|-----------|------------------------|----------------------|
| 1                     | 7           | \$94,000  | \$95,686               | \$65,000 - \$390,000 |
| 2                     | 107         | \$154,900 | \$152,333              | \$82,000 - \$269,900 |
| 3                     | 62          | \$121,000 | \$139,269              | \$80,000 - \$265,000 |
| 4+                    | 15          | \$115,000 | \$177,780              | \$95,000 - \$330,000 |
| Totals                | 191         | \$144,000 | \$148,015              | \$65,000 - \$390,000 |

| Number of<br>Bedrooms | Median | Square Footage<br>Average | Range         |
|-----------------------|--------|---------------------------|---------------|
| 1                     | 786    | 752                       | 600 - 895     |
| 2                     | 1,150  | 1,244                     | 790 - 2,197   |
| 3                     | 1,208  | 1,297                     | 854 - 2,036   |
| 4+                    | 1,282  | 2,828                     | 2,245 - 2,717 |
| Totals                | 1,188  | 1,289                     | 600 - 2,717   |

Source: California Market Data Cooperative, Inc.  
Condominium Sales Data Quarterly Reports for 3/88-12/88.  
Compiled by Cotton/Beland/Associates, Inc.

## Rental Housing

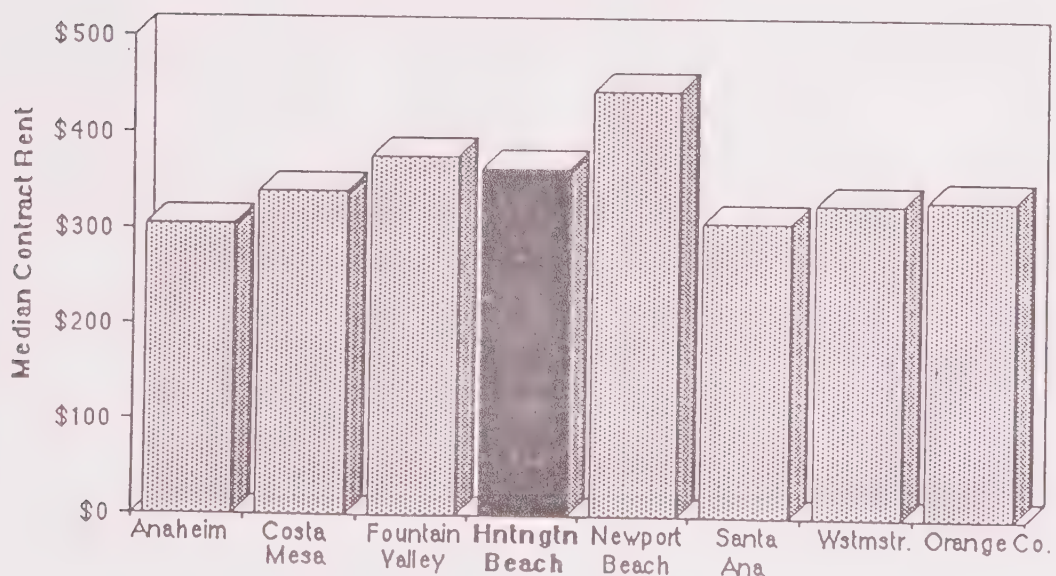
In 1980, median monthly rental costs in Huntington Beach were \$363. As presented in Table 29, much like for-sale housing costs, Huntington Beach's rents were higher than those in nearby jurisdictions, with the exception of Fountain Valley (\$375) and Newport Beach (\$443). In comparison with Orange County, the City's rents were nearly 10 percent higher.

TABLE 29  
CITY OF HUNTINGTON BEACH  
MONTHLY RENTS: HUNTINGTON BEACH AND SURROUNDING AREAS  
1980

| Jurisdiction     | Median Monthly Contract Rent |
|------------------|------------------------------|
| Anaheim          | \$305                        |
| Costa Mesa       | \$339                        |
| Fountain Valley  | \$375                        |
| Huntington Beach | \$363                        |
| Newport Beach    | \$443                        |
| Santa Ana        | \$307                        |
| Westminster      | \$328                        |
| Orange County    | \$331                        |

Source: Department of Commerce, Bureau of the Census, 1980 Census Report.

MONTHLY RENTS: HUNTINGTON BEACH  
AND SURROUNDING AREAS 1980



In order to update information on rental costs in Huntington Beach, data has been compiled from advertised rental units in the Sunday editions of the Orange County Register newspaper between January through December 1988. As presented in Table 30, nearly 60 percent of all units advertised were two bedroom units. Median rents for the 296 units sampled vary from \$525 for a studio to a high of \$950 for a unit with 3+ bedrooms.

**TABLE 30**  
**CITY OF HUNTINGTON BEACH**  
**MONTHLY RENTAL RATES: 1988**

| Number of Bedrooms | Number of Units | Median | Average | Range |         |
|--------------------|-----------------|--------|---------|-------|---------|
| Studio             | 6               | \$525  | \$505   | \$475 | \$525   |
| 1                  | 67              | \$630  | \$675   | \$525 | \$770   |
| 2                  | 173             | \$750  | \$783   | \$550 | \$1,250 |
| 3+                 | 50              | \$950  | \$847   | \$525 | \$1,400 |
| Totals             | 296             | \$750  | \$764   | \$475 | \$1,400 |

Source: Orange County Register, Sunday Editions:  
1/3/88, 4/3/88, 8/7/88, 12/4/88.  
Compiled by Cotton/Beland/Associates, Inc.

In addition to rental unit size, rental rates also differ by geographic location in the City. Figure 9 illustrates median rents for each of the four subareas. Median rents varied from \$700 in North Central Huntington Beach to \$850 in the Harbor/Bolsa Chica subarea, with median rents in Downtown/Old Town (\$725) and Southeast Huntington Beach (\$770) falling in between those two extremes. As depicted in Table 31, the majority of the units advertised during the time period are located in Downtown/Old Town (39%) and North Central Huntington Beach (31%). Multi-family rental units in Downtown/Old Town present the greatest variety, ranging from beachfront studios to dwellings with three bedrooms. The North Central, Southeast and Harbor/Bolsa Chica areas are comprised primarily of two- and three-bedroom units. The proximity to amenities such as Huntington Harbour and/or the beach in the Southeast and Harbor/Bolsa Chica enable these areas to command higher market rents.

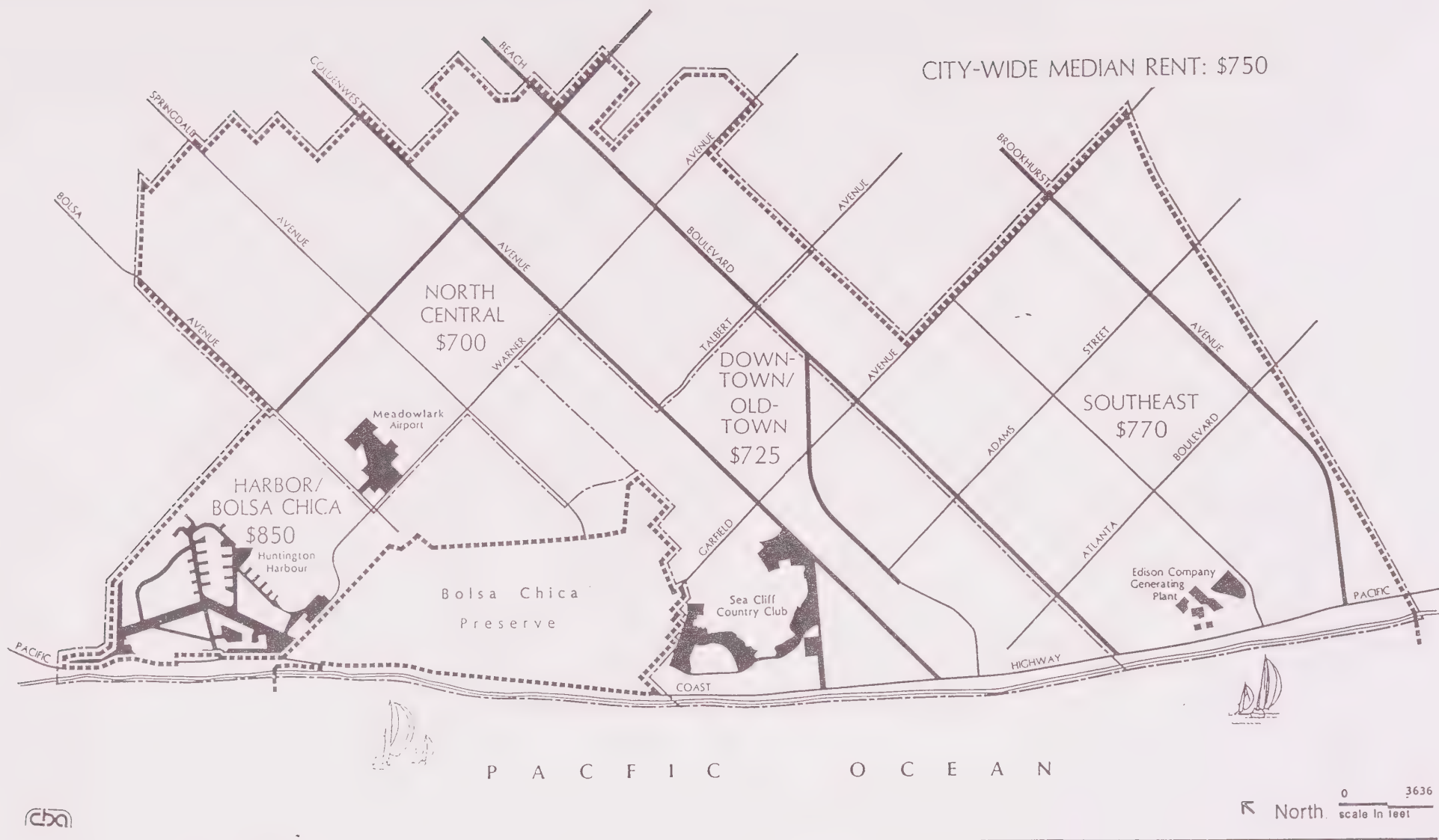


FIGURE 9  
MEDIAN RENTAL RATES:1988



**TABLE 31**  
**CITY OF HUNTINGTON BEACH**  
**MONTHLY RENTAL RATES BY SUBAREA: 1988**

| Location           | Number of<br>Units | Median | Average | Range           |
|--------------------|--------------------|--------|---------|-----------------|
| Downtown/Old Town  | 116                | \$725  | \$739   | \$475 - \$1,200 |
| Harbor/Bolsa Chica | 52                 | \$850  | \$850   | \$625 - \$1,250 |
| North Central      | 91                 | \$700  | \$740   | \$550 - \$1,400 |
| Southeast          | 37                 | \$770  | \$779   | \$525 - \$1,100 |
| Totals             | 296                | \$750  | \$764   | \$475 - \$1,400 |

Source: Orange County Register, Sunday Editions:  
1/3/88, 4/3/88, 8/7/88, 12/4/88.  
Compiled by Cotton/Beland/Associates, Inc.

#### 4.5 Share of Region's Housing Needs

State law requires jurisdictions to provide for their share of regional housing needs. The Southern California Association of Governments (SCAG) has determined the 1989-1994 needs for the City of Huntington Beach, and has estimated the number of households which the City will be expected to accommodate during this period. Future housing needs reflect the number of new units needed in a jurisdiction based on households which are expected to reside within the jurisdiction (future demand), plus an adequate supply of vacant housing to assure mobility and new units to replace losses. These needs were forecast by the 1988 Regional Housing Needs Assessment (RHNA), which considered on a regional and local level: market demand for housing, employment opportunities, availability of suitable sites for public facilities, commuting patterns, type and tenure of housing need, and housing needs of farm workers.

According to the model, housing to accommodate 6,228 households would need to be added to the City's June 30, 1989 total households by July 1994 to fulfill the City's share of regional housing needs. Based on the distribution of regional income, this total can be further divided among HUD's four income groups to identify the types of households to be provided for as follows:

**TABLE 32**  
**CITY OF HUNTINGTON BEACH**  
**1989-1994 HOUSEHOLD NEEDS BY INCOME GROUP**

|   |               |
|---|---------------|
| Very Low (0-50% County median income)   | 984 (15.8%)   |
| Low (50-80% County median income)       | 1,264 (20.3%) |
| Moderate (80-120% County median income) | 1,370 (22.0%) |
| Upper (over 120% County median income)  | 2,610 (41.9%) |
| <b>Total Households</b>                 | <b>6,228</b>  |

Source: SCAG Regional Housing Needs Assessment, June 1988 (Draft)

The intent of the future needs allocations by income group is to relieve lower income impaction - the undue concentration of very low and low income households in a jurisdiction. Localities must fully address their existing needs in order for impaction avoidance goals to be achieved in the future period.

#### 4.6 Housing in the Coastal Zone

Housing in the coastal zone of Huntington Beach includes some of the newest and most expensive homes in the City as well as areas of very old, deteriorated and substandard housing. In many areas, small summer homes, a legacy of the City's early heyday as a beach resort, adjoin modern apartment units. Similarly, the coastal population ranges from affluent families to young, single apartment dwellers preferring a beach orientation, to senior citizens on fixed incomes in older dwellings or mobile homes. Some neighborhoods are very homogenous; others have several different co-existing uses.

Government Code Section 65588(d) requires the City to include in its housing element: 1) a review of the number of housing units approved for construction within the coastal zone after January 1, 1982; 2) the number of housing units for persons and families of low or moderate income provided in new housing developments either within the coastal zone or within three miles of the coastal zone; 3) the number of existing residential dwelling units occupied by persons and families of low or moderate income that have been authorized to be demolished or converted since January 1, 1982 in the coastal zone; and 4) the number of residential dwelling units for persons and families of low or moderate income that have been required for replacement of units. This section will address these requirements.

Since January 1, 1982, 73 dwelling units have been authorized to be demolished within the City's coastal zone. No units have been authorized to be converted. Through an active program of affordable housing development, the City has replaced all the units demolished with low/moderate rental and for sale units developed throughout the City. Table 33 presents a comprehensive list of the affordable housing projects which have been developed either within the City's coastal zone, or within three miles of its boundary, since January 1, 1982. In addition to the affordable units provided in these projects, 138 units affordable to low and moderate income households have been provided through the City's density bonus program.

Since January 1, 1982, the following dwelling units have been constructed in the coastal zone:

- ° 612 single family homes
- ° 283 condominium units
- ° 177 apartment units

TABLE 33  
CITY OF HUNTINGTON BEACH  
AFFORDABLE HOUSING PROJECTS WITHIN  
THREE MILES OF COASTAL ZONE

| Project Name  | Total<br>Number<br>of Units | Affordable<br>Units | Location               |
|---|-----------------------------|---------------------|------------------------|
| <u>For Purchase:</u>  |                             |                     |                        |
| Huntington Bayshore   | 159                         | 34                  | Lake and Atlanta       |
| Pacific Ranch   | 558                         | 100                 | Yorktown and Lake      |
| Seabridge   | 200                         | 160                 | Adams and Beach        |
| Cabo Del Mar  | 230                         | 188                 | Warner and Bolsa Chica |
| Harbor Point  | 102                         | 31                  | Warner and Sims        |
| <u>For Rent:</u>  |                             |                     |                        |
| Bond issue for multi-family units. 20% are set-aside at affordable rental rates.                                  |                             |                     |                        |
| Huntington Beach Breakers   | 342                         | 85                  | Atlanta and Beach      |
| Rivermeadows  | 152                         | 30                  | Magnolia and Warner    |
| Huntington Village<br>(senior units)  | 114                         | 27                  | Springdale and Edinger |
| Seabridge Villas  | 334                         | 69                  | Beach and Adams        |
| Section 236 loans program for subsidizing sponsors of housing for moderate income, elderly and disabled citizens. |                             |                     |                        |
| Huntington Villa  | 198                         | 198                 | 16000 Villa Yorba      |
| Other Below-Market Rental Projects  |                             |                     |                        |
| Emerald Cove (senior  | 164                         | 164                 | Talbert and Jolly      |

Source: City of Huntington Beach Department of Economic Development





## 5.0 Employment Characteristics

The need for housing within a given market area is largely dependent on the local economy and the number and types of jobs available. During the 1960s, Huntington Beach experienced a dramatic increase in new home construction, with many of these new homes appealing to households employed in the Los Angeles area. During this period, the Orange County economy began to grow and diversify from a concentration of predominantly industrial employers to include more ancillary and service jobs.

Several factors have contributed to limiting the housing opportunities for households with lower incomes. Low density zoning and inflating land values have perpetuated the production of larger luxury homes in Huntington Beach and other neighboring communities. The failure of individual communities to provide a range of housing opportunities to match the regional economy causes longer commutes to work and the concentration of lower income groups in older areas of the County.

### Employment Projections

An assessment of the prospective need for market rate housing must take into consideration the number and type of new jobs created in both the City and County. As presented in Table 34, Huntington Beach's employment base grew by 4,070 jobs between July 1980 and January 1984. During this period, only the Agriculture, Government, and Uncoded sectors of employment showed a decrease in the number of jobs.

As this table reveals, the thrust of Huntington Beach's economic activity is in the manufacturing and retail industries. Although these two sectors comprise more than half of the City's employment opportunities, Huntington Beach still maintains a very diversified employment base. During the four year period, the wholesale (42%), finance/insurance/real estate (23%), and mining (22%) industries all experienced substantial increases in the number of jobs created within the City. With the continued diversification of the local economy attracting a greater variety of non-skilled, semi-skilled, and professional workers, the City should endeavor to provide a range of housing opportunities and choice.

**TABLE 34**  
**CITY OF HUNTINGTON BEACH**  
**EMPLOYMENT TRENDS: 1980 & 1984**

| Industry                  | July<br>1980 | January<br>1984 | % Change<br>1980-1984 |
|---------------------------|--------------|-----------------|-----------------------|
| Agriculture               | 425          | 349             | -17.9%                |
| Mining                    | 287          | 350             | 22.0%                 |
| Construction              | 1,794        | 1,997           | 11.3%                 |
| Manufacturing             | 11,860       | 13,177          | 11.1%                 |
| Trans/Pub. Utilities      | 1,992        | 2,058           | 3.3%                  |
| Retail Trade              | 10,088       | 11,444          | 13.4%                 |
| Wholesale Trade           | 1,354        | 1,923           | 42.0%                 |
| Fin/Ins/Real Estate       | 1,992        | 2,454           | 23.2%                 |
| Services                  | 6,585        | 7,634           | 15.9%                 |
| Government                | 7,346        | 6,422           | -12.6%                |
| Uncoded                   | <u>24</u>    | <u>9</u>        | <u>-62.5%</u>         |
| <br>TOTAL:                | <br>43,747   | <br>47,817      | <br>9.3%              |
| % Total County Employment | 5.2%         | 5.2%            | --                    |

Source: State Employment Development Department

### Jobs/Housing Balance

Another measure of the balance of a community's employment opportunities with the needs of its residents is through a "jobs-housing balance" test. A balanced community would have a match between employment and housing opportunities enabling most residents to also work in the community. SCAG has identified as a goal for the Northwest Orange County subregion an employment to housing ratio of 1.44.<sup>(a)</sup> Comparing the number of jobs in Huntington Beach in 1984 (47,817) to the number of housing units (66,335) indicates a job-housing ratio of .72 for the City. This low ratio would indicate Huntington Beach is housing-rich, and should increase its employment base to attain a more balanced community. However, since the City is located in a job-rich subregion (Northwest Orange County had a job-housing ratio of 1.34 in 1984) which is projected to experience an even greater rate of employment growth through 2010, Huntington Beach's housing-rich characteristic helps achieve the desired jobs/housing balance for the entire Northwest Orange County subregion.

(a) Draft Growth Management Plan, Southern California Association of Governments, October 1988, Page VII-11.

## 6.0 HOUSING CONSTRAINTS

Actual or potential constraints on the provision and cost of housing affect the development of new housing and the maintenance of existing units for all income levels. Market, governmental, infrastructural, and environmental constraints to housing development in Huntington Beach are discussed below.

### 6.1 Market Constraints

The high cost of renting or buying adequate housing is the primary ongoing constraint to providing adequate housing in the City of Huntington Beach. High construction costs, labor costs, land costs and market financing constraints are all contributing to increases in the availability of affordable housing.

Construction Costs: The single largest cost associated with building a new house is the cost of building materials, comprising between 40 to 50 percent of the sales price of a home. Overall construction costs rose over 30% percent between 1980 and 1988, with the rising costs of energy a significant contributor. Construction costs for wood frame, single-family construction of average to good quality range from \$40 to \$55 per square foot, custom homes and units with extra amenities running somewhat higher. Costs for wood frame, multi-family construction average around \$42 per square foot, exclusive of parking.

A reduction in amenities and quality of building materials (above a minimum acceptability for health, safety, and adequate performance) could result in lower sales prices. Additionally, pre-fabricated, factory built housing may provide for lower priced housing by reducing construction and labor costs. An additional factor related to construction costs is the number of units built at the same time. As the number of units developed increases, construction costs over the entire development are generally reduced based on economies of scale. This reduction in costs is of particular benefit when density bonuses are utilized for the provision of affordable housing.

Land: Land costs include the cost of raw land, site improvements, and all costs associated with obtaining government approvals. The limited supply of developable vacant land in Huntington Beach has accounted for a steady increase in raw land costs. Residential land in Huntington Beach cost an average of \$6 to \$8 per square foot in 1984, whereas land costs in 1989 averaged between \$10 and \$13 per square foot on parcels with single-family zoning and \$20 and \$25 per square foot on parcels zoned for multi-family development. It is estimated that these costs contribute 20 to 25 percent to the final sales price of a new home. Left alone, the rapidly escalating market price of land will tend to encourage mainly higher priced development. Higher density zoning could reduce the cost per unit of land, but land zoned for higher densities commands a higher market price. For this reason, density bonuses rather than zoning changes may be the preferred vehicle for reducing land costs.



**Labor Costs:** Labor is the third most expensive component in building a house, constituting an estimated 17% of the cost of building a single-family dwelling. The cost of union labor in the construction trades has increased steadily since April 1974. The cost of non-union labor, however, has not experienced such significant increases. Because of increased construction activity, the demand for skilled labor has increased so drastically that an increasing number of non-union employees are being hired in addition to unionized employees, thereby lessening labor costs.

**Financing:** While interest rates have fallen more than 10 percent from their near 20 percent high in the early 1980s, they still have a substantial impact on housing costs which is felt by renters, purchasers and developers. It should be noted that some mortgage financing is variable rate, which offers an initial lower interest rate than fixed financing. The ability of lending institutions to raise rates to adjust for inflation may cause many existing households to overextend themselves financially, as well as returning to a situation where high financing costs substantially constrain the housing market. An additional obstacle for the first-time home buyer continues to be the 10-20% downpayment required by lending institutions.

The median sales price of a single-family home in Huntington Beach (1988) was \$222,000. A \$199,800 mortgage amortized over 30 years at an interest rate of 10.5% would result in monthly house payments of \$1,827. This level of payment eliminates Huntington Beach's very low, low and moderate income households from the for-sale housing market. Condominiums do, however, offer an alternative homeownership opportunity for many of the City's moderate income households.

Interest rates are determined by national policies and economic conditions, and there is little that local governments can do to affect these rates. Jurisdictions can, however, offer interest rate write-downs to extend home purchase opportunities to lower income households. In addition, government insured loan programs may be available to reduce mortgage downpayment requirements.

**Profit, Marketing and Overhead:** Developer profits generally comprise 10-15% of the selling price of single-family homes and slightly lower for condominiums. However, in communities like Huntington Beach where the market demand for housing is high in comparison to the available housing supply, and home purchasers often desire more amenities, developers are able to command higher prices and often realize greater margins of profit.

Rising marketing and overhead costs have contributed to the rising costs of housing. Inflation has spurred much of the increase in marketing and overhead. Intense competition among developers has necessitated more advertising, more glamorous model homes and more expensive marketing strategies to attract buyers.



## 6.2 Governmental Constraints

Housing affordability is affected by factors in both the private and public sectors. Actions by the City can have an impact on the price and availability of housing in the City. Land use controls, site improvement requirements, building codes, fees and other local programs intended to improve the overall quality of housing may serve as a constraint to housing development.

### Availability of Land

The Land Use Element of the General Plan and corresponding zoning provide for a full range of residential types and densities dispersed throughout the City. Densities range from 0-4 units per acre in areas designated for Estate Residential to 35 units per acre in areas designated for High Density Residential. Table 35 presents the amount of acreage allotted to each residential land use category in the City's General Plan. As indicated by this table, over half the City's land area is planned for low density residential use, evidenced by the predominance of detached single-family homes in Huntington Beach. Considerably less acreage is planned for medium and high density uses, which characteristically provide condominium and apartment units. Three acres of land have been designated to accommodate a specific senior residential project. The areas of the City designated for Mixed Development and Planned Community allow for a mixture of residential uses, densities, and housing types.

As an older City, much of the land designated for residential development is already built out. In addition, a great deal of the City's vacant land is subject to development constraints related to oil production, flood plain regulations and fragmented ownerships, thereby limiting their development in the near future. Of the City's total 725 vacant residential acres (refer to Section 7.1, Table 39), only 479 acres can be considered unconstrained and suitable for development within the next five years. Additional residential development in the City will, however, be accommodated through several other means, including development on underutilized residential parcels, on non-residential land, and on surplus school sites. Considering the potential residential development from all these sources, a total of 6,927 additional dwelling units could be accommodated in Huntington Beach under the current General Plan and zoning (refer to Table 41). SCAG has estimated a future housing need of 6,222 new units in the City through the year 1994. The Plan thus provides for a residential development capacity which is more than adequate to serve projected future housing demand. The Land Use Plan cannot therefore be interpreted as a constraint to the provision of affordable housing, particularly since 3,676 units are designated for higher density housing (Medium-High and High Density Residential), and can be more readily be priced to meet the needs of lower income households.

**TABLE 35**  
**CITY OF HUNTINGTON BEACH**  
**RESIDENTIAL DEVELOPMENT CAPACITY OF LAND USE PLAN**

| Land Use Catagory     | Permitted Density   | Total Acreage Designated | % of Total City Acreage |
|-----------------------|---------------------|--------------------------|-------------------------|
| Estate Residential    | 4 units/gross acre  | 287                      | 1.7%                    |
| Low Density Res.      | 7 units/gross acre  | 8,645                    | 50.3%                   |
| Medium Density Res.   | 15 units/gross acre | 1,968                    | 11.5%                   |
| Med-High Density Res. | 25 units/gross acre | 42                       | 0.2%                    |
| High Density Resid.   | 35 units/gross acre | 603                      | 3.5%                    |
| Senior Residential    | varies              | 3                        | .1%                     |
| Mixed Development     | varies              | 95                       | 0.6%                    |
| Planned Community     | varies              | 275                      | 1.6%                    |
| <b>TOTAL</b>          |                     | <b>11,918</b>            | <b>69.5%</b>            |

Source: City of Huntington Beach Planning Department.

**Fees and Improvements:** Various fees and assessments are charged by the City to cover the costs of processing permits and providing services and facilities, such as utilities, schools and infrastructure. Almost all of these fees are assessed through a pro rata share system, based on the magnitude of the project's impact or on the extent of the benefit which will be derived. However, these fees contribute to the cost of housing and may constrain the development of lower priced units. Certain fees could be waived or subsidized by the City for the provision of lower income and senior citizen housing.

The majority of the Huntington Beach jurisdiction is highly urbanized with most of its necessary infrastructure, such as streets, electrical and water facilities, already in place. As such, the cost of land improvements is less than in undeveloped suburban or rural areas. Tables 36 and 37 present a comprehensive list of typical development fees associated with 4.5 unit/acre single family development and with a 30 unit/acre multi-family project. Development fees for single family construction are estimated at \$10,399 per unit, whereas fees associated with multi-family construction are significantly lower at \$4,827 per unit. This price differential reflects the fact that as land use densities increase, the proportion of the cost borne by each unit decreases. The most significant project development fees are school fees, parks and recreation fees, County sanitary sewer fees, and drainage fees.

**Building Codes and Enforcement:** The City of Huntington Beach has adopted the State Uniform Building, Housing, Plumbing, Mechanical and Electrical Codes. These codes are considered to be the minimum necessary to protect the public health, safety and welfare. The local enforcement of these codes does not add significantly to the cost of housing.

**Local Processing and Permit Procedures:** The evaluation and review process required by City procedures contributes to the cost of housing in that holding costs incurred by developers are ultimately manifested in the unit's selling price. The review process in Huntington Beach is governed by two levels of decision-making bodies: the City Council and the Planning Commission.

One potential way to reduce housing costs is to reduce the time for processing permits. Table 38 presents a comparison of average development processing times in Huntington Beach with several surrounding communities. As this table illustrates, development processing times in Huntington Beach are at a minimum and compare favorably with other communities. As review times are already streamlined in the City, cost savings from "fast track" processing would be minimal. Nonetheless, as land holding costs can run over \$1,000 per unit for a 9 to 12 month period, the City may wish to consider priority development review processing for low and moderate income housing applications.

**TABLE 36**  
**CITY OF HUNTINGTON BEACH**  
**SUMMARY OF DEVELOPMENT FEES FOR TYPICAL**  
**LOW DENSITY RESIDENTIAL PROJECT**

| Type of Fee                          | Cost Per Unit         |
|--------------------------------------|-----------------------|
| <u>Planning/Building Fees</u>        |                       |
| Tract Map                            | \$ 17.83              |
| Conditional Use Permit               | 11.67                 |
| Inspection                           | 597.60                |
| Plan Check                           | 388.44                |
| Strong Motion                        | 8.85                  |
| Library                              | 250.00                |
| Processing                           | 10.00                 |
| School Fee                           | 3,150.00              |
| Parks and Recreation                 | 2,395.00              |
| Electrical Permit                    | 153.44                |
| Mechanical Permit                    | 58.32                 |
| Plumbing Permit                      | 107.50                |
| Fence Permit                         | 45.90                 |
| Subtotal                             | \$ 7,194.55           |
| <u>Public Works Development Fees</u> |                       |
| Sewer - City                         | 150.00                |
| County                               | 1,500.00              |
| Subtotal                             | \$ 1,650.00           |
| Water                                | 60.00                 |
| Drainage                             | 1,330.00              |
| Grading                              | 30.00                 |
| Street Plans                         | 45.00                 |
| Parcel Map - Plan Check              | NA                    |
| Tract Map - Plan Check               | 90.00                 |
| Subtotal                             | \$ 3,205.00           |
| TOTAL                                | \$ 10,399.55 Per Unit |
|                                      | \$ 46,797.98 Per Acre |

Source: City of Huntington Beach Department of Community Development  
Calculations based on:

- (a) 2,100 square foot living area/400 square foot garage.
- (b) 4 bedrooms, 30-lot subdivision at 4.5 units/acre.
- (c) Type V construction.
- (d) Building valuation = \$126,380.



TABLE 37  
CITY OF HUNTINGTON BEACH  
SUMMARY OF DEVELOPMENT FEES FOR TYPICAL  
HIGH DENSITY RESIDENTIAL PROJECT

| Type of Fee                          | Cost Per Unit         |
|--------------------------------------|-----------------------|
| <u>Planning/Building Fees</u>        |                       |
| Tract Map                            | \$ 13.00              |
| Conditional Use Permit               | 11.67                 |
| Inspection                           | 346.80                |
| Plan Check                           | 225.42                |
| Strong Motion                        | 7.89                  |
| Library                              | 130.00                |
| Processing                           | 10.00                 |
| School Fee                           | 225.00                |
| Parks and Recreation                 | 1,662.00              |
| Electrical Permit                    | 122.75                |
| Mechanical Permit                    | 46.66                 |
| Plumbing Permit                      | 86.00                 |
| Fence Permit                         | 8.46                  |
| Subtotal                             | \$ 2,895.65           |
| <u>Public Works Development Fees</u> |                       |
| Sewer - City                         | 150.00                |
| County                               | 1,500.00              |
| Subtotal                             | \$ 1,650.00           |
| Water                                | 60.00                 |
| Drainage                             | 200.00                |
| Grading                              | 5.00                  |
| Street Plans                         | 7.00                  |
| Parcel Map - Plan Check              | NA                    |
| Tract Map - Plan Check               | 10.00                 |
| Subtotal                             | \$ 1,932.00           |
| TOTAL                                | \$ 4,827.65 Per Unit  |
|                                      | \$144,829.50 Per Acre |

Source: City of Huntington Beach Department of Community Development  
Calculations based on:

- (a) 900 square foot living area/400 square foot garage.
- (b) 2 bedrooms, 1-lot subdivision at 30 units/acre.
- (c) Type V construction.
- (d) Building valuation = \$52,580.

TABLE 38  
DEVELOPMENT PROCESSING TIME IN HUNTINGTON BEACH  
AND SURROUNDING COMMUNITIES  
(in months)

|                                    | Hunt.<br>Beach | Costa<br>Mesa | Irvine | Newport<br>Beach | Orange<br>County |
|------------------------------------|----------------|---------------|--------|------------------|------------------|
| General Plan Amendment             | 4              | 6-8           | 8-12   | 6-8              | 12-24            |
| Zone Change                        | 1.75           | 6-8           | 6      | 4-6              | 3-4              |
| EIRs                               | 4              | 1-2           | 4-6    | 1                | 3-4              |
| Tentative Tracts                   | 1.75           | 6-8           | 6-12   | 6-12             | 1-2              |
| Site Plan Review<br>(Staff)        | 1              | 1-2           | 3-4    | 2-3              | 1-2              |
| Site Plan Review<br>(Comm.)        | 1.5            | 1-2           | 3-4    | 2-3              | 1-2              |
| Plan Checking/<br>Building Permits | 2              | 1             |        | 1-2              | 1                |

Source: Huntington Beach Department of Community Development;  
Cotton/Beland/Associates, Inc.

### 6.3 Environmental and Infrastructure Constraints

Portions of Huntington Beach are exposed to a variety of environmental hazards and resources which may constrain the development of lower priced units. In addition, deficiencies exist related to the provision of infrastructure to service new residential development.

**Floodplain:** Situated on a low-lying plain and bounded by the Santa Ana River, Huntington Beach faces significant flood hazard. Over half the City's acreage, and approximately 70-80% of its residentially designated acreage, falls within the Flood Hazard Zone as defined by the Federal Emergency Management Agency (FEMA). FEMA regulations require that all new residential development be graded up above the 100-year flood elevation which ranges from approximately one to 11 feet in the City. These restrictions on development in the floodplain result in a reduction in the number of units that can be built, increase the costs of construction, and slow down development.

**Oil Resources:** Huntington Beach is historically an oil town. The numerous oil facilities currently operating in the City serve to reduce the amount of land currently available for development. While residential projects can sometimes be developed around producing wells, often development must be postponed until oil production halts and facilities are abandoned -(20 to 30 years). The presence of oil facilities thus reduces the amount of acreage available for development in the near future and/or increases the cost of development.

The City's Redevelopment Agency is currently working with a private oil company in developing an oil consolidation site in downtown Huntington Beach. By consolidating the City's oil wells and storage tanks onto a single site, the City's "oil lots" will be opened up for development. Approximately 90 percent of the City's oil lots have been purchased by the oil company, with the goal of completing the consolidation site within a two year period.

In addition to the oil consolidation site, the City is working with property owners to implement measures to mitigate constraints to development on sites with remaining oil facilities. These measures include buffering/screening existing oil islands, abandonment of wells, and creation of Specific Plans.

**Hazardous Waste:** Because of the long history of oil recovery operations in Huntington Beach, some vacant residential properties contain hazardous wastes related to abandoned oil wells, oil pipelines, or potential gas risk. These contaminated sites will require clean up prior to their development, thus adding to the costs of developing on these sites.

**Public Services and Facilities:** As a highly urbanized community, most areas of the City are already served by sewer lines, water lines, streets, storm drains, telephone, electrical and gas lines. However, a major area of vacant land east of the Bolsa Chica designated for Residential Estate

has remained undeveloped due to the lack of water and sewer lines and storm drains in the area. To facilitate development in this area, the recently completed Ellis Goldenwest Specific Plan provides for necessary infrastructure improvements to be installed over the next few years. This Specific Plan will also help to alleviate another constraint to development in this area, fragmented land ownership.



## 7.0 HOUSING OPPORTUNITIES

### 7.1 Availability of Sites for Housing

This section evaluates the potential additional residential development which could occur under the City's General Plan and zoning on vacant and underutilized land.

#### Vacant Sites

Vacant land planned for residential development is relatively scarce in Huntington Beach. Approximately 725 acres, or six percent, of the City's total 11,918 residential acres are currently vacant. Under existing zoning and general plan designations, these residential acres could support a maximum buildout of 7,587 additional housing units. However, as discussed in the previous section on environmentally constrained lands, much of the City's vacant residential land has been subject to development constraints related to oil production and fragmented ownerships. The City is actively working with property owners to remove these constraints by creating an oil consolidation site, developing specific standards to ensure compatibility between oil islands and residential uses and through implementation of Specific Plans. Through the City's activities, the following four areas which had previously been constrained due to oil production activities will now be available for residential development. These areas are illustrated in Figure 10, and their dwelling unit capacity described below:

**Area #1:** This parcel is approximately 19.69 acres in size and is designated for High Density Residential, permitting up to 35 dwelling units per acre. While the property has been historically utilized for oil production, the few oil wells remaining on the site are in the process of being removed. The property owner has submitted development plans to the City for 331 attached townhome units on the site. Construction of these units is anticipated to begin in Spring 1990.

**Area #2:** The Redevelopment Agency is currently working with a private oil company in developing an oil consolidation site in downtown Huntington Beach. Existing oil facilities located on the 20.72-acre Area #2 site are to be relocated on the oil consolidation site. Existing High Density Residential zoning on the site would permit the development of approximately 725 multi-family dwelling units on the property.

**Area #3:** This area consists of approximately 47.62 acres designated as Residential Estate Density (2 du/acre). The site is located in the Holly-Seacliff Master Plan area adjacent the proposed linear park. While the area had previously been identified as constrained by oil production, the Master Plan provides for mitigation of oil constraints, through abandoning some wells and creating "oil islands" with remaining on-site oil facilities. By mitigating restrictions on development, approximately 95 single-family dwelling units will be able to be accommodated on this site.

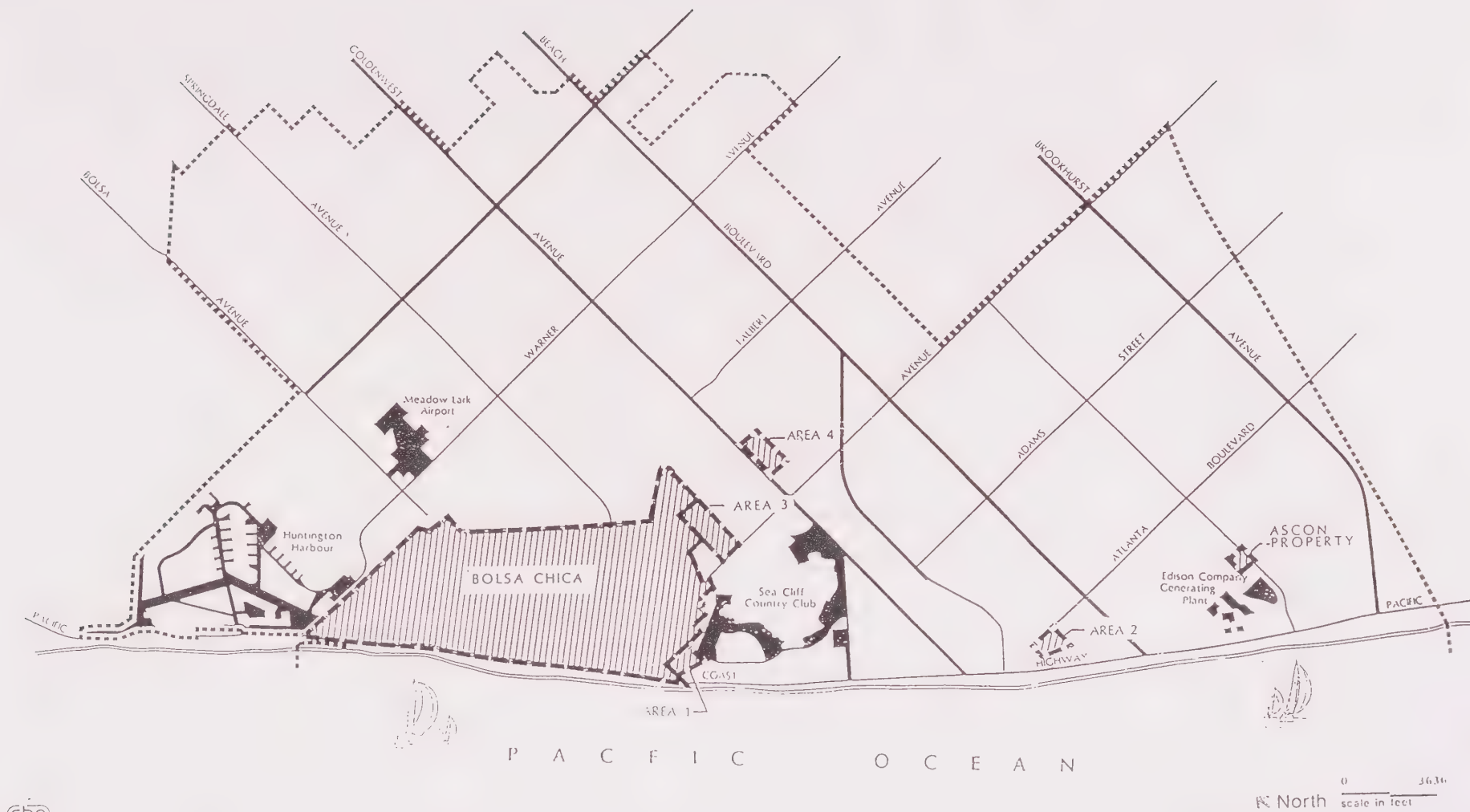


FIGURE 10  
PREVIOUSLY CONSTRAINED LANDS SUITABLE FOR RESIDENTIAL DEVELOPMENT

**Area #4:** Similar to Area #3, this 38.48 acre site is located in the Holly-Seacliff Master Plan, which provides for mitigation of existing oil constraints. The Master Plan designates this site for an overall average density of seven dwelling units per acre, providing for a total of 269 dwelling units. The City is working with the property owners to encourage a mix of single and multi-family family housing types on this site.

Through the City's efforts, 126 acres of land which had previously been constrained by oil production activities will be opened up to development. This residential acreage will provide for an increase in dwelling units, ranging from low density estate housing, to high density apartments and condominiums.

Table 39 provides a breakdown of the number and type of additional residential dwelling units which could be constructed in Huntington Beach under the General Plan. Of the City's total 725 vacant residential acres, 478.8 acres can be considered unconstrained and available for development over the five-year period of the Housing Element. This acreage will support a maximum buildout of 4,997 dwelling units, ranging in density from 2 to 35 units per acre. Nearly half (45 percent) of the potential dwelling units are the Medium-High and High Density residential land use categories, providing opportunities for lower cost housing development. Approximately one-quarter of these potential units are designated for Medium Density Residential, indicating a significant proportion of future residential growth will be in the form of duplexes and townhomes and lower density apartments and condominiums. Single-family homes will comprise approximately one-quarter of the City's future residential growth. A recently-adopted Specific Plan for the Ellis Goldenwest area will serve as a vehicle for consolidating land ownerships, providing for approximately 600 residential estate dwelling units.

### **Underdeveloped Sites**

In addition to development on vacant lands, there is the potential for new residential development on sites which are currently developed at densities lower than those permitted under the General Plan and zoning. In the Townlot, Oldtown and Downtown areas, many of the areas designated for densities of 15 units/acre are currently developed with single-family and lower density multi-family uses. Recycling of these lower density uses occurs when the intensity of use allowed in the zone more than offsets the costs of acquiring the improved site, demolishing the existing units, and constructing new higher density units. For the past several years, substantial recycling activity has been occurring in the Townlot, Oldtown and Downtown areas indicating that permitted densities are high enough to warrant recycling. Interestingly, while City zoning permits densities up to 15 units per acre in these areas, the market demand for single family homes has resulted in the majority of replacement units developed as single-family detached units. Single-family residential uses in the Townlot, Downtown and Oldtown areas are predominately developed on 50' x 115' and 25' x 115' sized lots. The recycling trend in these areas

**TABLE 39**  
**CITY OF HUNTINGTON BEACH**  
**VACANT LANDS SUITABLE FOR RESIDENTIAL DEVELOPMENT: 1989**

| Land Use Catagory                      | <u>Total</u>      |                  | <u>Unconstrained</u> |                  | %<br>Total<br>DUs |
|--|-------------------|------------------|----------------------|------------------|-------------------|
|  | Vacant<br>Acreage | Potential<br>DUs | Vacant<br>Acreage    | Potential<br>DUs |                   |
| Residential Estate<br>(2-4 du/ga)      | 222.0             | 724              | 182.6                | 605              | 12%               |
| Residential Low Density<br>(7 du/ga)   | 98.39             | 688              | 86.41                | 605              | 12%               |
| Residential Medium Dens.<br>(15 du/ga) | 159.73            | 2,407            | 77.91                | 1,169            | 24%               |
| Residential Medium-High<br>(25 du/ga)  | 17.55             | 439              | 17.55                | 439              | 9%                |
| Residential High Density<br>(35 du/ga) | 62.05             | 2,172            | 62.05                | 1,813            | 36%               |
| Planned Community<br>(7 du/ga)         | 165.28            | 1,157            | 52.28                | 366              | 7%                |
| <b>TOTAL</b>                           | <b>725.00</b>     | <b>7,587</b>     | <b>478.8</b>         | <b>4,997</b>     | <b>100%</b>       |

Source: City of Huntington Beach Community Development Department,  
January 1989.



has been to demolish the existing single-family structure, and replace the unit with either two or three single-family units. Table 40 illustrates the level of recent recycling activity, with 43 single-family units demolished in these areas in 1988, and 26 in the first six months of 1989.

In order to estimate the net increase in residential development attributed to recycling over the five year period of the Housing Element, recycling activity over the past 18 months can be applied to the 1989-1994 period. Replacement units can be conservatively estimated at a ratio of two-to-one, although it is likely many single units will be replaced at a three-to-one ratio. Based on these assumptions, it is estimated that the City will experience an annual recycling of 47 existing units, to be replaced with a total of 94 new units. Applying this annual recycling rate to the five year period of the Housing Element translates to an estimated net increase in 235 single family units which can reasonably be expected to develop during the 7/89 - 6/94 period. It should be mentioned, however, that many of the older residences in these areas are identified as historically significant on a local survey, and their removal would need to be addressed under CEQA.

TABLE 40  
CITY OF HUNTINGTON BEACH  
RESIDENTIAL RECYCLING ACTIVITY  
(OLDTOWN, TOWNLOT, AND DOWNTOWN AREAS)

| Single-Family Units Recycled to Higher Densities |      |               |
|--|------|---------------|
|  | 1988 | Jan-June 1989 |
| Oldtown  | 8    | 8             |
| Townlot  | 32   | 17            |
| Downtown   | 3    | 1             |
| Total  | 43   | 26            |

Source: City of Huntington Beach  
Community Development Department

## Second Units

Intensification of development in existing residential areas could also occur through the addition of "second units" on single-family lots. Second units, or granny flats as they are commonly known, are dwelling units constructed on the same parcel on which the primary single-family unit is located, providing independent living quarters which the homeowner may rent out or provide for a family member or other persons(s). Second units provide a cost effective means of serving additional development through the use of existing infrastructure, and provide affordable housing for low and moderate income small households. Second units have the additional benefit of allowing many older persons to remain in their homes by providing additional income and security.

The City has adopted an ordinance to facilitate and regulate the development of second units. While the ordinance does require a Conditional Use Permit for development of second units, reasonable parking and other requirements have been established so as not to discourage their development. Planning Department records indicate approximately 24 applications for second units have been submitted to the City since 1984, averaging about five applications per year. Using this data to estimate the number of future second unit applications suggests that approximately 25 new applications could be expected over the five year period of the Housing Element.

## Redevelopment Areas

Five redevelopment project areas have been established in Huntington Beach: Huntington Center, Oakview, Talbert-Beach, Yorktown-Lake, and Main-Pier. Activities involving residential use include affordable senior housing, rehabilitation of existing units, residential/commercial mixed-use, and market-rate single family and multi-family development. Within the five year period of the Housing Element, the City is committed to working with the development community to achieve an additional 900+ units in the Main Pier redevelopment project area. These units will be developed on property contained within the following three projects:

The Waterfront: Pursuant to the approved Development Agreement for The Waterfront project, a total of 894 high density residential units (35 du/acre) may be constructed north of Walnut Avenue between Beach Boulevard and the northerly property boundary. Approximately half of the units (448) are to be constructed in the first phase, scheduled for completion in 1992, with an additional one-quarter of the units (223) to be constructed in 1994 as Phase 2, thereby totaling 671 units to be developed within the five year time frame of the Housing Element.

Pier Colony: This high density condominium project (32 units/acre) located at Pacific Coast Highway and Second Street is scheduled for completion in July 1990. It will consist of 130 one- and two-bedroom condominiums.

Main Pier Phase II: This mixed-use project located at Pacific Coast Highway and Sixth Street is currently in the planning stages. At this time, 103 medium-high density units (25 units/acre) are proposed, with a scheduled completion date of June 1991.

### **Non-Residential Land**

In addition to land which is currently designated for residential development, the City is in the process of redesignating a non-residential parcel to accommodate residential land uses. City Council and Coastal Commission have ammended the General Plan to redesignate the 40-acre Ascon property from Public, Quasi-Public, Institutional to Residential Medium Density. (The site's general location is identified on Figure 10). The conceptual plan approved for this property provides for a total of 600 dwelling units at an average density of 15 du/acre.

The Ascon site has historically been utilized as a landfill, and will require site clean-up to remove contaminated soil. The applicant is in the process of preparing a remediation plan for soil clean-up, with site clean-up estimated to be complete within the next two years. Residential development on the site will immediately follow site clean-up, and can be expected to be completed by the end of 1992.

### **Surplus Land**

Two former school sites are presently either under construction or in the entitlement stage for residential development in Huntington Beach. Crestmore Estates is a 52-unit low density single-family project which is now under construction. Heritage Village is a mixed development project which is still in the entitlement stage. It is a 15.2 acre, 520 unit residential/commercial project which is proposed at a density of 34 units per acre. The zoning will be a Specific Plan.

In addition to these school sites, four other residentially-zoned school sites are being proposed for residential development by the school districts. Huntington Beach Elementary District has proposed 9.75 acres for residential on its Lebard School site, and Fountain Valley School District has advertised for bids on its 9.10 acre Bushard School site. These two sites are both zoned R-1/7du/acre, providing for the development of 132 dwelling units. Two other surplus school sites, Golden West College (6.81 acres) and Wintersburg High School (14 acres), have been advertised for bids by the school districts. These sites are zoned single-family residential and residential-agriculture respectively, and could accommodate a total of 62 dwelling units. However, development under this twenty year old base zoning would be incompatible given the location of these sites along major arterials and surrounding higher densities. These sites will likely be rezoned to accommodate higher density residential development consistent with their setting.



## **Bolsa Chica**

The Bolsa Chica area is another very significant housing opportunity for the City. The City has initiated annexation procedures for the 1,635 acre vacant area known as the Bolsa Chica. While nearly two-thirds of the Bolsa Chica is comprised of a State Ecological Reserve and wetland, the remaining 400-plus acres located immediately adjacent exiting residential neighborhoods, are planned for residential development. The Bolsa Chica is located within the City's sphere of influence and is surrounded on all three sides by the City of Huntington Beach (refer to Figure 11). At the meeting of October 2, 1989, the City Council selected an outside law firm to assist the City in preparation of a development/pre-annexation agreement for the Bolsa Chica area. In addition, a memorandum of understanding on the Bolsa Chica Environmental Impact Statement (EIS) was approved by Council at their meeting of October 16, 1989.

Property owners in the Bolsa Chica area include Signal Landmark Inc., State Lands Commission, the Metropolitan Water District, Ocean View School District, Donald Goodell, the Fieldstone Company, and the Huntington Beach Company; all have been supportive of annexation to the City. The anticipated time frame for annexation includes completion of the Final EIS by Fall 1991, with annexation to occur in early 1992. Development is expected to occur within 3 years and will include a minimum of 4,200 and a maximum of 5,700 residential units. A coalition representing five interest groups (Orange County, State Lands, property owner Signal Landmark, Inc., a citizens interest group Amigos de Bolsa Chica, and the City) is meeting to assist in the determination of the number of residential units; Figure 11 provides a conceptual plan of development in the Bolsa Chica as proposed by the coalition. The actual number of units is uncertain at this time and will be determined based upon an ongoing traffic study, availability of sewer and water, and additional parameters to be discussed in the EIR.

City services appear adequate to serve the project development and the City is participating in the Bolsa Chica traffic modeling project to insure that circulation concerns are addressed.

## **Availability of Public Services and Facilities**

As a highly urbanized community, public facilities are available to facilitate development throughout Huntington Beach. All of the land designated for residential use in the Low Density, Medium Density, Medium-High Density and High Density categories is presently served by sewer lines, water lines, streets, storm drains, telephone, electrical and gas lines. While areas designated for Residential Estate are not currently served by sewer and water lines and storm drains, the Ellis Goldenwest Specific Plan provides for necessary improvements to be installed over the next few years. This Specific Plan will also help to alleviate another constraint to development in this area, fragmented land ownership.



# RESIDENTIAL DENSITIES

|          |                  |
|----------|------------------|
| <b>A</b> | UP TO 6.5 DU/AC  |
| <b>B</b> | UP TO 12.5 DU/AC |
| <b>C</b> | UP TO 18.0 DU/AC |

## ACREAGE SUMMARY

| LAND USE TYPE            | ACRES         |
|--------------------------|---------------|
| RESIDENTIAL              | 412.3         |
| WETLANDS/ESHA/OPEN SPACE | 1104.9        |
| LINEAR PARK/ESHA         | 50.9          |
| DESIGNATED ROADWAYS      | 53.7          |
| FLOOD CONTROL CHANNEL    | 13.2          |
| <b>TOTAL</b>             | <b>1635.0</b> |



SOURCE: VALE SPECK TAYLOR

PACIFIC OCEAN

PACIFIC OCEAN

North

FIGURE 11  
BOLSA CHICA RESIDENTIAL DEVELOPMENT PLAN

## Residential Development Potential Compared with Huntington Beach's Housing Needs

As indicated in Section 4.5, the Regional Housing Needs Assessment (RHNA) prepared by SCAG has identified a future housing need for Huntington Beach of 6,228 units to be developed over the next five years (1989-1994). Combining the residential development potential on vacant, underutilized, redevelopment, non-residential and surplus sites, an estimated 7,527 additional units could be developed in the City (refer to Table 41). This would indicate that the City's General Plan and zoning provide for a residential development capacity which is adequate to accommodate the City's share of regional housing needs. In addition, with annexation of the Bolsa Chica, an estimated 4,200 to 5,700 additional dwelling units could be accommodated in Huntington Beach.

In terms of development opportunities for lower income households, approximately half of potential residential growth is allocated to higher density housing (Medium-High and High Density Residential), which can more readily be priced to meet the needs of Very Low and Low Income households. However, even at these higher densities, the City will need to offer incentives to private market developers to ensure the provision of units affordable to Very Low and Low Income households. Condominium units will provide homeownership opportunities for some smaller, Moderate Income households though ownership assistance will still be necessary to provide many of the City's Moderate Income households the option of home purchase.

TABLE 41  
CITY OF HUNTINGTON BEACH  
POTENTIAL RESIDENTIAL DEVELOPMENT SUMMARY

| RESIDENTIAL DWELLING UNIT POTENTIAL |             |                     |              |                     |                      |              |        |
|-------------------------------------|-------------|---------------------|--------------|---------------------|----------------------|--------------|--------|
| Land Use Category                   | Vacant Land | Under-utilized Land | Second Units | Redevelopment Areas | Non-Residential Land | Surplus Land | TOTALS |
| Residential Estate                  | 605         |                     |              |                     |                      | 14           | 619    |
| Residential Low Density             | 605         | 235                 | 25           |                     |                      | 232          | 1,097  |
| Residential Medium Density          | 1,169       |                     |              |                     | 600                  |              | 1,769  |
| Residential Medium-High Density     | 439         |                     |              | 103                 |                      |              | 542    |
| Residential High Density            | 1,813       |                     |              | 801                 |                      | 520          | 3,134  |
| Planned Community                   | 366         |                     |              |                     |                      |              | 366    |
| TOTALS                              | 4,997       | 235                 | 25           | 904                 | 600                  | 766          | 7,527  |

## 7.2 Energy Conservation

The City has many opportunities to directly affect energy use within its jurisdiction. Because a major proportion of energy consumed in a community is tied to on-site uses, both directly (heating and cooling buildings) and indirectly (through the impact of development patterns on activities such as transportation), conservation policies directed toward the residential development process offer the greatest potential for the City to reduce energy waste.

In this section, building and land use policies are briefly reviewed to identify the steps the City could take to encourage energy conservation in residential development

### Building Conservation Standards for New Construction

Energy conserving building standards for new construction (Title 24 of the California Administrative Code) have been in effect in the State since 1978 and were upgraded in 1982. These standards can be met by any of three alternative approaches: a passive solar building, a well-insulated non-solar building, and a building with an active solar domestic hot water system. Current policy in Huntington Beach with respect to energy conservation building standards involves enforcement of Title 24 standards, as mandated by the State.

Modifying building standards represents the most logical and effective means of improving the energy efficiency of buildings yet to be built. Two strategies are available to the City to reduce energy use in newly constructed housing:

Minor modifications to building codes and standards: Features such as insulation in walls, ceilings and water heaters, and weatherstripping around doors and windows would significantly reduce energy now wasted in heating and cooling. A well-insulated building is also more comfortable because there are fewer drafts.

Passive Solar Design: This approach involves using the building structure itself as an energy source, utilizing energy from the sun and local climate to both heat and cool buildings. Features which should be incorporated include winter and summer shading of south-facing glass, increased thermal mass of the structure to control temperature variations, and appropriate exterior colors and vegetation to reduce artificial cooling requirements. Estimates by the California Energy Commission in Orange County indicate that 85 to 90 percent of the heating and cooling needs of typical tract homes could be met by incorporating passive solar designs.



## Retrofitting Existing Housing

While Title 24 and local building codes are effective means of conserving energy in new residences, they do not apply to the more than 70,000 residential units currently existing in Huntington Beach. Techniques reducing energy use in existing residences, termed weatherization or retrofitting, are therefore important opportunities for energy conservation. Weatherization typically involves the installation of attic insulation, caulking and weatherstripping around doors and windows, water heater blankets, and devices to shade south-facing windows during hot summer months. Weatherization can reduce residential energy consumption by 30 to 60 percent without loss of personal comfort or change of lifestyle.

Currently, the City is not involved in retrofitting existing housing units. Support for weatherization is being provided by the federally mandated Residential Conservation Service (RCS), in which gas and electric companies offer home energy audits to eligible customers.

Retrofit ordinances have to be evaluated with respect to their possible effect on the housing market. Although retrofitting may add to the price of housing, it could actually improve the ability of a buyer to qualify for a loan. This is because weatherized houses have lower utility bills, which is a consideration in the debt-income ratio used in decisions of grant loans. The City may also consider implementing a variety of techniques which would promote weatherization.

- ° The City may follow the model being implemented in Santa Monica. The City of Santa Monica utilizes RCS funds to run its own conservation program which sends municipal energy conservation teams to different neighborhoods to install energy conserving devices. The program is offered for both multi-family and single-family residential structures.
- ° The City could also adopt retrofit ordinances. Typically, such ordinances require the installation of specific, cost-effective weatherization measures in residential buildings built prior to the 1978 building standards. Compliance with these ordinances would be required at the time of resale of the property.

The fact that 40 percent of Huntington Beach's housing is rental property underlines the importance of a retrofit ordinance for the City. Owners of rental property have little incentive to voluntarily weatherize rental units. Renters, in turn, may shy away from energy savings investments in their homes since they may not occupy the property long enough to recover the costs involved. Renters are also legally prevented from improving their homes without permission of the owner.



## Active Solar Energy Conservation

Another means of conserving residential energy is the active solar energy system. Active solar systems, in contrast to passive solar design, involve collecting the sun's energy at one place (usually rooftop collectors) and transferring it mechanically (using pumps or fans) to a separate storage area. In Southern California, active systems are generally too expensive for space heating but are particularly well suited to heating hot water for domestic, pool, and commercial use.

### State and Federal Tax Credits

The economics of solar hot water heating are closely tied to state and federal income tax credits. Currently, there are no state tax credits available for solar heating of spas and pools. A solar tax credit of 50% is granted for the installation of solar systems in residential dwellings. There is a \$3,000 limit on the tax credit per solar system. Federal tax credits are granted for solar space and hot water heating but not for pool heating. Homeowners as well as members receive a 40 percent tax credit for the first \$10,000 spent for a solar system granted the unit is built before 1977. Landlords are eligible for a business energy credit of 15 percent for installation of active solar systems in rental units regardless of when they are constructed.

The cost-benefit-analysis for solar systems should also include indirect economic benefits such as reduced imports of nonrenewable fuels, increased energy self-sufficiency, reduced environmental pollution, and stimulation of local employment.

### Promoting Solar Development

The City has various alternatives for promoting solar development within its jurisdiction. More specifically, the City may give careful consideration to implementing some set of the follow programs:

Adoption of solar systems ordinances. Numerous cities and counties throughout California have enacted ordinances requiring the use of solar energy as part of the heating system for new pools and spas. Many communities have also adopted ordinances requiring solar domestic hot water heating.

Mandating solar systems through design review process. By requiring that solar systems be a condition for approval of subdivision maps, local government would ensure that solar be incorporated into larger housing developments which comprise a majority of the larger housing developments in Huntington Beach. In comparison to the implementation of a solar systems ordinance, this approach would be simpler and less costly to administer, but would require more involvement by the City's planning staff.



The Municipal Solar Utility (MSU) concept. An MSU provides residents with financial assistance to facilitate the adoption of solar systems in the community. It can take one of three basic forms: 1) direct services offering a range of products and services to meet consumer needs; 2) broker MSU which matches the needs of residents with solar suppliers. This service offers low interest loans, technical assistance, system maintenance, and links customers with private solar firms which sell and install systems; 3) a facilitator MSU which helps customer define their needs by offering consumer services, technical assistance, post-installation inspection, and complaint mediation.

## Land Use Controls

The City can take the initiative in guiding local development and land use in a way that reduces energy use requirements substantially over the long run. This discussion covers three areas in which the City can exercise its power to ensure that land is developed in an energy efficient manner: solar access, residential design standards, and general land use guidelines.

Solar Access: The lack of guaranteed direct access to sunlight is one of the major barriers to more wide-spread use of solar heating. In 1978, the California State Legislature passed the Solar Rights Act and the Solar Shade Control Act which provide a firm basis for protecting solar access, but the burden of responsibility for doing so is placed on local governments. In an effort to ensure solar access within the jurisdiction, the City may give careful consideration toward implementing specific standards in its zoning, subdivision, environmental, and Site Plan Review regulations which will address the issue of adequate solar access for solar systems.

Residential Design Standards: In 1980, the City adopted a Land Use Amendment (Amendment No. 80-1) to the General Plan that reflects Huntington Beach's commitment to energy-efficient residential design. Design features which would go toward meeting this policy include careful site orientation, passive solar architecture, and use of deciduous vegetation for shading.

Three alternative approaches may be considered by the City in implementing energy efficient residential development: 1) provide incentives to developers who voluntarily incorporate energy efficiency in their projects; 2) adopt development standards that specify to what extent energy-efficient design must be incorporated into residential projects; and 3) facilitate the incorporation of energy concerns into the development review process by developing a comprehensive list of energy conservation criteria that could be used in evaluating the energy conserving potential of submitted plans.

Another tool for ensuring energy conservation in new development is the California Environmental Quality Act (CEQA). Under Appendix F of this Act, energy use implications must be considered in the drafting of Environmental Impact Reports. The City could require developers to submit, as part of their plans, a "statement of energy efficiency", in which they must specify the measures taken to minimize energy use in their proposed development.

Land Use Conservation: Because 42 percent of total energy consumption is used for local travel, considerable conservation can be achieved by reducing local travel. Intergrating land uses helps achieve this goal. Neighborhoods that encompass a mix of residential and service-related land uses (e.g.: convenience grocery stores, low intensity offices and commerical space, recreational facilities) promote pedestrian movement and significantly reduce energy consumption used for travel. Short distance travel may also be reduced by facilitating bicycle travel. Huntington Beach is well-suited to bicycle travel, both topographically and climatically. Safety of bicycle and pedestrian paths should be an important consideration in the review of new housing developments. Similarly, pedestrian paths should be as short and direct as possible, providing short-cuts through particularly long blocks and major development sites.